"Welcome Package for Investors"

Project updated on 1 May 2015 Author: CzechInvest – Investment and Business Development Agency **Administrator**: Ministry of Industry and Trade (hereinafter referred to as the "MIT") **Co-administrators**: Ministry of Interior (hereinafter referred to as the "Mol"), Ministry of Labour and Social Affairs (hereinafter referred to as the "MLSA", Ministry of Foreign Affairs (hereinafter referred to as the "MFA")

Project start: 2013

Assessment of the project: semi-annually; evaluation will be conducted by the MIT in cooperation with Czechlnvest and the co-administrators.

Financial costs: None. Express delivery from abroad shall be paid by the applicant. The project will not require any new human resources under the condition that an adequate number of project participants is maintained (i.e. in the range of tens of participants, though maximally 100 applications per year).

Project grounding: The project was approved by the Coordination Body for the Protection of the National Borders of the Czech Republic. At the request of the administrator or any of the co-administrators, the project can be temporarily suspended for the purpose of reformulating or terminating the project. Changes of the project are subject to approval by the Protection of the National Borders of the Czech Republic. There is no legal entitlement to inclusion of applications in the project.

The project's objective:

The objective of the project is to improve the procedure for the entry and employment of key foreign persons and who need to obtain the necessary permits (residency, work) as quickly and easily as possible in connection with the placement of an investment in the Czech Republic. The purpose of the project is to create an environment that is helpful toward potential investors and thus support the inflow of foreign direct investments and increase the competitiveness of the entire Czech Republic.

Rationale

In the case of a newly incoming investment, the timing of the project and the speed of its implementation play one of the key roles. For the successful launch of operations and for the transfer of business know-how, the presence of foreign managers and specialists, who can accelerate and facilitate the entire process, is important. Czech employees are subsequently trained, thus acquiring know-how from foreign specialists. The final result thus consists in the creation of new jobs for Czech employees.

Another rationale consists in the endeavour to broaden the positive awareness of the Czech Republic's visa policy, which is helpful toward potential investors. In most cases, the higher representatives of companies (statutory bodies) can present information about the Czech investment environment to other potential investors and thus comprise a valuable source of

additional references. They also help to co-create the Czech investment environment and contribute to the Czech Republic's competitiveness.

Principles of the project

The project is based on the principles of the legislation in force (especially Act No. 326/1999 Coll., on the Residency of Foreigners in the Czech Republic and the Amendment of Certain Acts, as amended; Act No. 262/2006 Coll., the Labour Code, as amended; Act No. 435/2004 Coll., on Employment, as amended). It concurrently reflects approved initiatives of the Czech Republic (International Competitiveness Strategy) and other strategic documents of the Czech Republic, e.g. the Framework Competitiveness Strategy of the Czech Republic from NERV, the New Economic Migration System – a basic strategic document of the state's migration policy (Decree of the Government of the Czech Republic No. 48 of 19 January 2011, on Measures for Managing Economic Migration, Protection of the Rights of Persons Migrating for the Purpose of Work and Realisation of Returns), etc.

Benefits of the project

For newly incoming companies the project will bring forth a reduction of costs and the associated bureaucratic burden.

Target group of the project:

Statutory representatives, managers and specialists from the ranks of nationals of third countries that are exempt from the visa requirement¹ for a period of 90 days within EU member states and nationals of the People's Republic of China, India and the Russian Federation who are dispatched to the Czech Republic for a period longer than 90 days in connection with the implementation of a foreign investment and need to obtain the necessary permits (i.e. residency and work permits) as quickly as possible.

Furthermore, this also pertains to **family members** of statutory representatives, managers and key specialists set forth in the preceding paragraph, regardless of their nationality, who are also relocating and who will apply for a visa for a stay longer than 90 days for the purpose of cohabitation of a family.

Definition of terms

"FOREIGN INVESTOR" – a commercial company based outside of the EU/EEC or Switzerland that has an organisational unit in the Czech Republic and is related in terms of capital to a

¹ Pursuant to Regulation (EC) No. 539/2001 as amended by Regulation (EC) No. 2414/2001 and Regulation (EC) No. 453/2003 (i.e. the Schengen area). The current list of countries whose citizens are not subject to visa requirements is available on the website of the Ministry of Foreign Affairs:

http://www.mzv.cz/jnp/cz/informace pro cizince/kratkodobe vizum/seznam statu jejichz obcane nepodleh aji/index.html.

commercial company based in the Czech Republic (such relationship comprising, for example, parent company — subsidiary, a concern, holding company or trust), via which the foreign investor is implementing its investment.

"STATUTORY REPRESENTATIVE OF A COMPANY" – a person who is authorised to carry out the legal acts of a legal entity on the basis of the deed of foundation of the legal entity or memorandum of association, or on the basis of the law in force (e.g. an executive director).

"MANAGER" — a person working in a management position who primarily directs the management of a company, section, department or other unit of such company, supervises other employees in supervisory positions, exercises professional or managerial control including the authority to hire and terminate employees or to recommend hiring, termination or other personnel-related measures.

A "SPECIALIST" is a person who has specific knowledge and skills that are of fundamental importance for the successful launch of a new company's operations or technology. At the same time, this is a person who transfers his/her specific knowledge pertaining to the company's operations to Czech workers. (This typically involves technical specialists who come to the Czech Republic to install production equipment and further train Czech employees in connection with their work duties.)

A "FAMILY MEMBER" is understood to be the spouse of a foreigner serving in the position of statutory representative, manager or specialist, or a minor or adult dependent child of such foreigner or his/her spouse.

Overview of possible means of migration of project participants to the Czech Republic

At the request of a commercial company based in the Czech Republic, internal transfers and localisations, i.e. **positions of managers, specialists** or **statutory representatives** that the commercial company intends to fill with foreigners, are included in the project by any of the four means set forth below.

A basic prerequisite for the involvement of a foreigner in a project is the **duration of the employment or business relationship** (undertaken pursuant to foreign legal regulations) **between the foreigner and the foreign investor** during the entire period of such foreigner's assignment.

1) Internal transfer of an employee

Dispatch of a foreigner by a foreign investor to the Czech Republic for the purpose of fulfilling tasks ensuing from a contract concluded between such investor and a commercial company based in the Czech Republic. During the entire period of his/her assignment, the foreigner shall be in an employment relationship with the foreign investor and not in any way with the domestic commercial company.

Type of document issued to the dispatched foreigner: **Work permit + employee card**.

Legal regime governing such internal transfer: Section 95 of the Employment Act + Section 42g(3) of the Act on the Residence of Foreign Nationals on the Territory of the Czech Republic (this pertains to a position outside of the central registry of vacant positions that may be filled by employee-card holders).

2) Internal transfer of a statutory representative

Dispatch of a foreigner by a foreign investor to the Czech Republic for the purpose of performing the duties of a statutory representative within a commercial company based in the Czech Republic. Such foreigner shall not enter into an employment relationship with the domestic commercial company.² In the Czech Republic, such foreigner shall fulfil the tasks ensuing from his/her duties as a statutory representative.

Type of document issued to the dispatched foreigner: Visa for a stay in the country longer than 90 days for the purpose of conducting business.

Legal regime governing such internal transfer: Section 30 et seq. of the Act on the Residence of Foreign Nationals on the Territory of the Czech Republic.

3) Localisation of an employee

Dispatch of a foreigner by a foreign investor to the Czech Republic for the purpose of his/her temporary employment with a commercial company based in the Czech Republic. **The foreigner shall enter into an employment relationship with the domestic commercial company**.

Type of document issued to the dispatched foreigner: **Employee card**Legal basis of localisation: Section 42g (2) of the Act on the Residence of Foreign Nationals on the Territory of the Czech Republic (this pertains to a position from the central registry of vacant positions that may be filled by employee-card holders).

4) Localisation of a statutory representative

Dispatch of a foreigner by a foreign investor to the Czech Republic for the purpose of fulfilling tasks for a commercial company ensuing from the subject of such company's operation if this concurrently involves a foreigner who will be a statutory representative of such commercial company based in the Czech Republic. In the Czech Republic, the foreigner shall carry out tasks ensuing from his/her duties as a statutory representative as well as tasks ensuing from the subject of the commercial company's operation as recorded in the Commercial Register. The foreigner shall not enter into an employment relationship with the domestic commercial company.

Type of document issued to the dispatched foreigner: **Work permit + employee card**.

Legal basis of localisation: Section 89(2) of the Employment Act + Section 42g(3) of the Act on the Residence of Foreign Nationals on the Territory of the Czech Republic (this pertains to a position outside of the central registry of vacant positions that may be filled by employee-card holders).

² The foreigner's relationship to the domestic company is typically governed by a **contract on performance of a function** pursuant to the provisions of Section 59 et seq. of the Act on Commercial Companies and Cooperatives.

Criteria for inclusion of a company in the project

The given company has either submitted an application for investment incentives and Czechlnvest has issued a Confirmation of Receipt of the Investment Incentives Application Form OR the company fulfils both criteria set forth below:

1) Criterion of a minimum number of employees

Commercial manufacturing company – plan to employ at least 50 employees in the following three years. Such plan shall be documented with an affidavit.

Commercial company focusing on IT/SW development – plan to employ at least 20 employees in the following three years. Such plan shall be documented with an affidavit.

Commercial company in the field of business support services – plan to employ at least 50 employees in the following three years. Such plan shall be documented with an affidavit.

2) Another condition is submission of a copy a contract on the purchase of land or a contract on leasing of non-residential premises. The MIT (CzechInvest) will subsequently assess the conditions of such contract and the corresponding size of the premises with respect to the planned number of jobs.

Involvement of project participants:

- 1) A commercial company based in the Czech Republic to which a foreign investor dispatches a foreigner in connection with an internal transfer or localisation shall:
 - report to the Labour Office of the Czech Republic the vacant position that the company
 wants to fill with a foreigner (in the case of localisation of an employee or statutory
 representative) or shall negotiate with the Labour Office the conditions for dispatching
 a foreigner to the Czech Republic (in the case of an internal transfer of an employee).
 - submit to the Labour Office of the Czech Republic a work-permit application on the basis of a power of attorney from the foreigner (in the case of an internal transfer of an employee or localisation of a statutory representative).
 - submit an application for the inclusion of the employment position or position of statutory representative into the project together with all required appurtenances.

2) The foreigner subject to an internal transfer or localisation

 shall submit to the locally relevant embassy or consulate an application for issuance of an employee card or a visa for a stay longer than ninety days for the purpose of conducting business, including all appurtenances required by law. — in the case of issuance of a visa for a stay longer than 90 days for the purpose of obtaining an employee card, shall appear at a facility of the Ministry of Interior within three business days following his/her arrival in the Czech Republic for the purpose of providing biometric data necessary for preparation of the employee card; in the case of issuance of a visa for a stay longer than 90 day for the purpose of conducting business, he/she shall appear at the police within three business days following his/her arrival in the Czech Republic for the purpose of fulfilling the registration obligation.³

Involvement of the administrator and co-administrators⁴:

1) Ministry of Industry and Trade (CzechInvest):

- shall evaluate the application for inclusion of an employment position or position of a statutory representative into the project and shall inform the relevant commercial company of the result of such evaluation.
- shall inform the Ministry of Interior, Ministry of Labour and Social Affairs and the Ministry of Foreign Affairs of the inclusion of the internal transfer or localisation into the project.
- shall ensure publicity of the project.

2) The Ministry of Foreign Affairs / embassy or consulate:

- shall accept from the applicant the application for issuance of an employee card/visa for a stay longer than 90 days for the purpose of conducting business; shall inform the applicant of the possibility of using express mail, which shall be paid for by the applicant/foreign investor.
- shall provide to the applicant or his/her authorised representative information on a
 positive ruling issued by the Ministry of Interior, Department of Asylum and Migration
 Policy and shall issue to him/her a visa for a stay longer than 90 days for the purpose
 of obtaining an employee card or shall imprint in the foreigner's travel document a visa
 for a stay longer than 90 days for the purpose of conducting business.

3) The Ministry of Labour and Social Affairs or the Labour Office of the Czech Republic:

 shall, in the case of an internal transfer or localisation of a statutory representative, rule on the issuance/denial of a work permit.

4) The Ministry of Interior, the Department of Asylum and Migration Policy:

- within 30 calendar days from the date of submission of the application to the embassy or consulate
 - a) shall issue a ruling on fulfilment of the conditions
 - 1. issuance/denial of a visa for a stay longer than 90 days for the purpose of conducting business or cohabitation of a family, or
 - 2. issuance/denial of an employee card
 - b) shall issue or not issue to the embassy or consulate an instruction to imprint in the foreigner's travel document a visa for a stay longer than 90 days for the purpose of

³ Section 93 of the Act on the Residence of Foreign Nationals on the Territory of the Czech Republic.

⁴ Embassy or consulate, Labour Office, Department of Asylum and Migration Policy (DAMP), CzechInvest

- 1. conducting business or cohabitation of a family, or
- 2. taking delivery of an employee card
- in the case that the application is submitted with all appurtenances required by law, no legal reasons for rejection of the application are given, and a recommendation is issued to the Department of Asylum and Migration Policy;
- shall provide to the foreigner, to whom a visa for a stay longer than 90 days has been granted for the purpose of taking delivery of an employ card and who has appeared for the purpose of providing biometric data, confirmation of fulfilment of the conditions for issuance of an employee card;
- shall issue an employee card to the foreigner within 15 calendar days following collection of his/her biometric data.

Publicity:

With CzechInvest's assistance, the Ministry of Industry and Trade shall ensure distribution of informational materials about the Project. The Project shall be publicised via the website of the Ministry of Industry and Trade (CzechInvest).

Annexes:

- Annex No. 1: Process of internal transfer of an employee / localisation of a statutory representative pursuant to the project
- Annex No. 2: Process of employee localisation pursuant to the project
- Annex No. 3: Process of internal transfer of a statutory representative pursuant to the project
- Annex No. 4: Application for the process of internal transfer/ localisation in the Welcome Package project
- Annex No. 5: Declaration of the foreign investor on transfer of a foreigner to the Czech Republic

Annex No. 1: <u>Process of internal transfer of an employee / localisation of a</u> statutory representative pursuant to the project

Internal transfer of an employee

The company discusses the details of the internal transfer with the regional branch of the Labour Office.

The company concludes a contract on the basis of which the transfer is carried out and submits an application for issuance of a work visa (pursuant to Section 95 of the Employment Act).

Together with other appurtenances of the application, the company also submits the standardised "Foreign Investor's Declaration on Transfer of a Foreigner to the Czech Republic".

Localisation of a statutory representative

The company reports the vacant position to the regional branch of the Labour Office and submits an application for issuance of a work permit for the statutory representative (pursuant to Section 89(2) of the Employment Act).

Together with other appurtenances, the company also submits the standardised "Foreign Investor's Declaration on Transfer of a Foreigner to the Czech Republic".





The company submits an application for inclusion of the internal transfer or localisation into the project.

The Ministry of Industry and Trade (CzechInvest) assesses the application and

- in the case of fulfilment of the conditions by the firm, informs without delay the Ministry of Interior, Ministry of Labour and Social Affairs and Ministry of Foreign Affairs about inclusion of the internal transfer or localization into the project or
- in the case that the company has not fulfilled the conditions for inclusion in the project, the Ministry of Industry and Trade shall inform the company of such fact in writing.

The Ministry of Foreign Affairs informs the relevant embassy or consulate of the inclusion of the internal transfer or localization in the project.



The foreigner subject to internal transfer or localisation submits to the embassy or consulate an employee-card application (and ensures in advance, at his/her own expense, express delivery of such application).

The embassy or consult sends the employee-card application to the Ministry of Interior – DAMP and visibly marks it as included in the Welcome Package for Investors project.



The Labour Office rules on the issuance of a work permit.

The Ministry of Interior – DAMP rules on the employee-card application and, in the case of fulfilment of the legal conditions, orders the embassy or consulate to issue a long-term visa for the purpose of obtaining the employee card. The embassy or consulate informs the foreigner thereof and imprints a long-term visa in his/her travel document.

The embassy or consulate informs the foreigner of such ruling and imprints a long-term visa in his/her travel document.



Within three business days following his/her arrival in the Czech Republic, the foreigner will provide his/her biometric data to the Ministry of Interior – DAMP.

DAMP will then issue to the foreigner confirmation of fulfilment of the conditions for issuance of an employee card and will subsequently issue the employee card.

Annex No. 2: Process of employee localisation pursuant to the project

The company reports the vacant employment position to the regional branch of the Labour Office.		
The company submits an application for inclusion of the localisation in the project.		

The Ministry of Industry and Trade (CzechInvest) assesses the application and

- in the case of fulfilment of the conditions by the company, informs without delay the Ministry of Interior, Ministry of Labour and Social Affairs and Ministry of Foreign Affairs about inclusion of the application into the project and provides to them the number of the vacant employment position and the date when it was reported to the Labour Office, or
- in the case that the company has not fulfilled the conditions for inclusion in the project, the Ministry of Industry and Trade shall inform the company of such fact in writing.

The Ministry of Foreign Affairs shall inform the relevant embassy or consulate of the inclusion of the application in the project.



The localised employee submits to the embassy or consulate an employee-card application (and ensures in advance, at his/her own expense, express delivery of the application). Together with other appurtenances of the application, the localised employee also submits the standardised "Foreign Investor's Declaration on Transfer of a Foreigner to the Czech Republic".

The embassy or consulate sends the employee-card application to the Ministry of Interior – DAMP and visibly marks it as included in Welcome Package for Investors project.



The Ministry of Interior – DAMP rules on the employee-card application and, in the case of fulfilment of the legal conditions, orders the embassy or consulate to issue a long-term visa for the purpose of obtaining the employee card. The embassy or consulate informs the foreigner thereof and imprints a long-term visa in his/her travel document.



Within three business days following his/her arrival in the Czech Republic, the foreigner will provide his/her biometric data to the Ministry of Interior – DAMP.

DAMP will then issue to the foreigner confirmation of fulfilment of the conditions for issuance of an employee card, on the basis of which the foreigner can begin his/her employment.

Annex No. 3: <u>Process of internal transfer of a statutory representative</u> pursuant to the project

The company submits an application for inclusion of the internal transfer in the project.



The Ministry of Interior (CzechInvest) assesses the application and

- in the case of fulfilment of the conditions by the company, informs without delay the Ministry of Interior, Ministry of Labour and Social Affairs and Ministry of Foreign Affairs about inclusion of the application in the project, or
- in the case that the company has not fulfilled the conditions for inclusion in the project, the Ministry of Industry and Trade shall inform the company of such fact in writing.

The Ministry of Foreign Affairs informs the relevant embassy or consulate of the inclusion of the application in the project.



The statutory representative subject to internal transfer submits to the embassy or consulate an application for a visa for a stay longer than 90 days for the purpose of conducting business (and ensures in advance, at his/her own expense, express delivery of the application). The embassy or consulate will then send the visa application to the Ministry of Interior – DAMP and visibly mark it as included in the Welcome Package for Investors project.



The Ministry of Interior – DAMP rules on the employee-card application and, in the case of fulfilment of the legal conditions, orders the embassy or consulate to issue a long-term visa for the purpose of conducting business.

The embassy or consulate informs the foreigner of such ruling and imprints a long-term visa in his/her travel document.



Within three business days following his/her arrival in the Czech Republic, the foreign shall fulfil his/her obligation to register with the police.

Annex No. 4: <u>Application for the process of internal transfer/ localisation in</u> <u>the Welcome Package project</u>

Company name/Identification no.			
Registered office/Place of business			
Reference no. in the Commercial Register			
Type of capital-related company			
Was an investment-incentives application submitted and has CzechInvest issued a Confirmation of Receipt of the Investment Incentives Application Form?	YES	NO	
Applicant's name/date of birth/nationality			
Specification of the position			
Contact person, delivery address in the Czech Republic			
Telephone/e-mail			
Number of the vacant employment position and the date of its report* / Regional branch of the Labour Office where the work-permit application was submitted and reference number of the application**			
Expected place of submission of the Employee card +/ long-term visa application ++			
* Complete this section if you are applying for the complete this section if you are applying for representative. + Complete this section if you are applying for or statutory representative. ++ Complete this section if you are applying for the complete this section if you are applying for the complete this section.	or an internal transfer of an internal transfer of or an internal transfer of	of an employee or localisation of a	
In, date:		Name, surname and position authorised representative and signature	

Mandatory appendices of the application

• In the case that an investment-incentives application WAS submitted

 Confirmation of Receipt of the Investment Incentives Application Form and the prerequisite of fulfilling the conditions for granting investment incentives (issued by CzechInvest).

• In the case that an investment-incentives application WAS NOT submitted

- Affidavit affirming that the company plans to hire at least 50 (or, as the case may be, 20) employees in the following three years.
- Copy of a contract on the purchase of land or, as the case may be, a contract on leasing of non-residential premises.

Optional appendixes to the application

Family members of an internally transferred or localised foreigner who will apply for issuance of a visa for a stay longer than 90 days for the purpose of cohabitation of a family

Spouse:

name, date of birth, nationality

Child/children:

- 1. name, date of birth, nationality
- 2. name, date of birth, nationality
- 3. name, date of birth, nationality

Annex No. 5

Prohlášení zahraničního investora o vyslání cizince do České republiky

Declaration of the foreign investor on transfer of a foreigner to the Czech Republic

Toto prohlášení je vydáno za účelem podání žádosti o vydání povolení k zaměstnání / zaměstnanecké karty (nehodící-se vypusťte) v České republice.

This declaration is made for the purpose of application to issue the work permit / employee card (leave out what is not applicable)in the Czech Republic.
Obchodní společnost (zahraniční ivestor) Commercial company (foreign investor)
Obchodní firma: Trade firm:
Identifikační číslo přidělené v zemi, kde je společnost registrována: Identification Number given in the country of the company's registration:
Sídlo: Headquarters:
Kontaktní telefonní číslo a e-mailová adresa: Contact phone number and e-mail address:
Prohlašuje, že hodlá vyslat svého zaměstnance / statutární orgán (nehodící-se vypustit) Declares, that the following employee / (executive director (leave out what is not applicable) is to be transferred
Jméno a příjmení: Name and surname:
Datum narození: Date of birth:
Státní příslušnost: Nationality (please fill in using the Czech language)
Současná pracovní pozice: Current working position (please fill in using the Czech language)
Na území České republiky ke své organizační složce / obchodní společnosti

(nehodící-se vypustit)

Obchodní firma: Trade firm:	
IČ: Identification number:	
Sídlo: Headquarters:	
Kontaktní telefonní číslo a e-mailová adresa: Contact phone number and e-mail address:	

On the territory of the Czech Republic to the following organizational unit / commercial company

k výkonu práce na pracovní pozici.../ výkonu funkce statutárního orgánu, který plní úkoly vyplývající z předmětu činnosti právnické osoby (nehodící-se vypustit)

To perform work on the working position... (Please fill in using the Czech language) / to work as an executive director that performs tasks arising out of the legal entity's registered activities (leave out what is not applicable)

Na dobu od	do
Beginning on	until

(leave out what is not applicable)

Zahraniční investor prohlašuje, že vysílaný zaměstnanec / statutární orgán (nehodící-se vypustit) je svou odbornou kvalifikací, tj. dosaženým stupněm vzdělání i odbornou praxí dostatečně způsobilý pro výkon práce na výše uvedené pracovní pozici (na níž má být vyslán), a která odpovídá doposud zastávané pracovní pozici u zaměstnavatele / k plnění úkolů vyplývajících z předmětu činnosti právnické osoby (nehodící-se vypustit).

Zahraniční investor dále prohlašuje, že s organizační složkou / obchodní společností (nehodící-se vypustit), k níž bude výše uvedený zaměstnanec / statutární orgán (nehodící-se vypustit) vyslán, uzavřel dohodu, že tato organizační složka / obchodní společnost (nehodící-se vypustit) podá v České republice žádost o zařazení vnitropodnikového převodu nebo lokalizace do projektu "Welcome Package pro investory".

The foreign investor hereby declares that the transferred employee / executive director (leave out what is not applicable) is qualified by his/her professional qualification, i.e. by the level of education and professional skills to perform work on the working position mentioned above and that the working position to which he/she will be transferred corresponds to the type of position hitherto occupied for his/her employer / to perform tasks arising out of the legal entity's registered activities (leave out what is not applicable).

The foreign investor furthermore declares to have concluded an agreement with the organizational unit / trading company (leave out what is not applicable) to which the employee / executive director (leave out what is not applicable)mentioned above is to be transferred saying that this organizational unit / trading company (leave out what is not applicable) shall in the Czech Republic apply for including of the intra-corporate transfer or local contract concerned in the project "Welcome Package for Investors".

Podpis oprávněného zástupce zaměstnavatele: Signature of the employer's authorized representative:		
Jméno a příjmení:	Datum a místo:	
Name and Surname:	Date and place:	