American Chamber of Commerce
In North Macedonia

Recommendations for Improving the Legal Framework for the Professional Engagement of Foreigners in North Macedonia

Skopje, January 2025

American Chamber of Commerce in North Macedonia

Maksim Gorki, 11/1-1, 1000 Skopje
policy@amcham.mk • www.amcham.mk • T: +389 2 3216 714

The American Chamber of Commerce in North Macedonia is a business association representing over 150 members, ranging from small local enterprises to major foreign investors. Together, these businesses employ more than 42,000 individuals and generate annual revenue exceeding 9 billion USD. AmCham North Macedonia serves as a platform for advocacy, networking, knowledge exchange, and sharing best practices, where business professionals contribute their time and expertise to co-create a better business environment in the country.

AmCham North Macedonia is an accredited member of the U.S. Chamber of Commerce and an active participant in AmChams in Europe, an umbrella organization that represents 50 American Chambers of Commerce across 48 countries in Europe and Eurasia.

Introduction

The American Chamber of Commerce in North Macedonia acknowledges the efforts of the Ministry of Interior and the working group to streamline the process for the professional engagement of foreigners and to address challenges in implementing the Law on Foreigners.

While we fully support the proposed amendments aimed at simplifying work permit procedures for projects of strategic importance, we also see this as an opportunity to introduce additional improvements to the legal framework.

We propose establishing a fast-track procedure for issuing temporary residence permits for highly qualified foreigners employed in senior management positions or in-demand professions. The current administrative burden causes delays and creates unnecessary obstacles for both businesses and individuals. By expediting the procedures for issuing residence and work permits for these key professionals, the government would reinforce its broader goals of attracting foreign direct investments and supporting strategic economic projects. Additionally, we recommend simplifying recruiting procedures for professional athletes from abroad.

We particularly welcome the amendment to the deadline for registering a foreign worker with the Employment Agency, which requires registration within 30 days of the issuance of a temporary residence permit, replacing the previous 90-day period from the issuance of the Agency's opinion. The existing 90-day deadline has created significant administrative challenges, reducing transparency and trust in the system. Applicants often struggle with unclear deadlines, which are frequently beyond their control.

However, to ensure consistency, we emphasize the need to align this deadline with the Law on Employment and Work of Foreigners. Without harmonization, there is a risk that companies may continue to face difficulties that could undermine the intended improvements.

Additionally, we emphasize the urgency of **resolving the quota issue for work permits in 2025**. Currently, the Ministry of Interior is unable to process extensions for temporary work residence permits because the 2025 quota has not yet been approved by Parliament, despite the requirement under the Law on Employment and Work of Foreigners that it be adopted by the end of the preceding year. This delay raises concerns about expiring deadlines for submitting extension applications and whether extensions of the deadlines will be granted due to the current circumstances.

Given global and national commitments to digitalizing public services, we also highlight the need for considering options for introduction of **digital tools for obtaining residence and work permits for foreigners**. Digitization would enhance transparency, streamline processes, and improve efficiency for both institutions and applicants. There are good practices from countries in the region regarding the digitalization of these processes that could serve as an example.

Hereinafter, we present recommendations designed to offer constructive guidance for establishing a functional and efficient mechanism for professional engagement of foreigners.

Recommendations

I. Introducing a Fast-Track Procedure for Obtaining Temporary Residence and Work Permits for Foreigners in Senior Management and Highly Qualified Professions

An efficient procedure for obtaining residence and work permits for foreigners in senior management positions and high-demand, highly qualified professions would significantly enhance North Macedonia's business environment.

Such procedures would showcase that the country is responsive to the operational needs of businesses, positioning it as an attractive destination for foreign direct investments and strengthening its competitiveness in the region, which is a key strategic priority for any government.

Many companies and international organizations consider the Western Balkans, including North Macedonia, as a **single operational cluster**. In this context, the ability to swiftly and efficiently process work and residence permits for foreign professionals in senior management roles or in sectors experiencing a shortage of highly qualified personnel is a critical factor in determining where companies establish their regional centers.

Furthermore, implementing such legal framework would **support North Macedonia's integration into the European Union (EU) Single Market**. This approach aligns with EU principles on labor mobility and administrative efficiency by reducing bureaucratic burdens. By adopting these measures, North Macedonia would demonstrate its commitment to aligning with EU standards while simultaneously strengthening its capacity to participate in the Single Market. In addition, attracting foreign professionals with global strategic perspectives, best practices, and specialized expertise would facilitate the transfer of knowledge to local businesses. This knowledge transfer would not only help domestic companies adopt

competitive practices and policies, accelerating their readiness for the Single Market but would also ease their integration into European supply chains even before North Macedonia officially joins the EU.

Over time, and with the growing presence of multinational corporations and international organizations, establishing a fast and efficient work permit process for senior management and highly qualified professionals **would position North Macedonia as a key business hub in the Balkans.** This would drive economic growth, create new jobs, and increase the country's influence in regional decision-making.

The introduction of a streamlined work and residence permits issuance process is essential for businesses and international organizations for several reasons. In multinational corporations and organizations, the selection of senior management personnel is typically conducted by human resources departments or specialized external companies operating outside North Macedonia. These recruitment processes involve rigorous assessments of candidates' qualifications, experience, and leadership abilities, as such roles are of strategic importance to companies. Therefore, any delay or further examination of labor market conditions or quota limitations in North Macedonia should not influence the selection process for these key positions. A more efficient system would allow businesses to fill strategic leadership roles more quickly, leading to faster decision-making and improved operational efficiency.

Senior management positions include executive roles such as Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO), Chief Technology Officer (CTO), and Chief Marketing Officer (CMO), as well as other managerial positions with a strategic impact on company operations. This category also includes members of management bodies, supervisory board members, and professionals employed under management contracts.

Positions in sectors facing a shortage of highly qualified personnel include roles such as cybersecurity experts, healthcare specialists, engineers, and professors with international experience and teaching certifications. Given the significant brain drain affecting the country, the need for such professionals is becoming increasingly urgent, and it directly impacts economic growth and development.

Based on the above, we propose the following:

- The procedure for obtaining a residence and work permit for highly qualified foreigners employed in senior management positions or in-demand professions should have significantly shorter processing times of no more than 30 days. This includes amending Article 75, paragraph (2) of the Law on Foreigners to establish a shorter deadline for the Ministry of Interior to issue decisions on temporary residence approval.
- Employment of foreigners in senior management positions should be added to the exemptions listed in Article 86, paragraph (3), which stipulate that certain employment cases are not subject to labor market conditions. In other words, when hiring a foreigner for a senior management role, a positive opinion should be issued regardless of current labor market conditions in North Macedonia.
- The approved duration of temporary residence permits for employment should be aligned with the length of the employment contract, with a maximum validity of three years.
- Documentation requirements under Article 87, paragraph (1) of the Law should be reduced.

- The procedure for extending temporary residence should be simplified. Documents that remain valid and unchanged since the initial residence permit issuance —such as an explanation of the need for employing a foreigner and a proof of education or professional qualifications issued by an authorized institution—should not need to be resubmitted.
- For appointed managers registered as authorized persons in the Central Register of North Macedonia, the only required documentation should be proof of appointment (i.e., a current status from the Central Register). Additional justification for hiring a foreigner for the position should not be required.
- Article 107, paragraph (1) of the Law should be amended to allow parallel processing of temporary residence permits for foreigners and family reunification applications for their family members. This would significantly streamline procedures for foreigners who need to regulate their own status and the status of their family members simultaneously.

II. Simplifying the Procedure for Recruiting Professional Athletes

Sport is a sector of crucial national importance. According to the Law on Citizenship of the Republic of North Macedonia, sport is considered a national interest and serves as a basis for "exceptional naturalization." A foreign athlete who has reached the age of 18 may be granted citizenship if their contribution to sports is of particular national interest and if their admission does not pose a threat to national security or defense. Furthermore, the Constitution itself mandates that the Republic encourages and supports technical culture and sports.

The Law on Foreigners should align with these principles by ensuring a smooth and efficient process for recruiting foreign athletes in domestic sports clubs while also facilitating the issuance of residence permits for their family members. To achieve this, we propose the following measures:

- Engagement of professional athletes should be explicitly recognized as a valid basis for granting temporary residence for work purposes. Additionally, the provisions governing the required documentation for obtaining an opinion from the Employment Agency should be revised. These changes should mandate the submission of a signed engagement contract between the employer and the foreign professional athlete, in accordance with contractual regulations. Furthermore, the requirement to provide proof of education or specific professional qualifications should be modified to ensure that such documentation is not necessary when engaging professional athletes. As an alternative to amending existing provisions, a separate section specifically regulating temporary residence for professional athletes could be introduced within the law. This would also require establishing professional sports engagement as a distinct legal basis for granting temporary residence.

- The proposed amendments related to temporary residence should also extend to the immediate family members of foreign athletes applying for residence permits based on their professional sports engagement.

- The authority to submit temporary residence applications for foreign athletes should be expanded to include legal entities with which the athlete is entering into an engagement contract.