

# Global Immigration alert

May 2025

## Switzerland

Switzerland successfully negotiates a safeguard clause as part of the Bilateral III negotiations with the EU

### Executive summary

As part of the Bilateral III negotiations with the EU, the Swiss Federal Council acknowledged the implementation of the safeguard clause on 14 May 2025. This clause allows temporary restrictions on the free movement of individuals when specific thresholds related to net immigration, unemployment or social assistance are exceeded. As a result, Switzerland is expected to amend the Agreement on the Free Movement of Persons (AFMP) to partially adopt the provisions of EU Directive 2004/38/EC, while maintaining a focus on employment-based migration to strengthen bilateral relations with the EU.

### Background

The safeguard clause is part of a broader protective framework established between the EU and Switzerland during the negotiations on EU Directive 2004/38/EC, which governs the rights of EU nationals to move and reside freely within EU Member States without granting political rights. This framework enables Switzerland to focus immigration on employment, preventing access to its social systems while retaining the right to expel criminal foreign nationals. Before activating the safeguard clause or implementing protective measures, the Federal Council will consult with the relevant parliamentary committees, cantons, and social partners.

### Key developments

In response to the EU directive and to enhance bilateral relations, Switzerland is expected to amend the AFMP to partially adopt its provisions while ensuring that migration remains employment focused. This amendment seeks to strengthen the Swiss economy by attracting necessary skilled labor while protecting the social system. This initiative aligns with a broader

framework associated with the customized adoption of EU legislation into the AFMP. To support this framework, local measures will be implemented, with the following changes expected to be introduced:

- **EU permanent residence rights and social assistance:** EU nationals and their families permanently residing in Switzerland will only receive EU permanent residence rights after their application is submitted and approved. Cross-border commuters, students, retirees and other “economically inactive” EU nationals will not be eligible for EU permanent residence rights or social assistance. The Foreign Nationals and Integration Act (FNIA) will need to include specific regulations to address these groups.
- **Withdrawal of Swiss residence rights:** EU nationals who lose their job must register with a regional job center. If they do not comply with the agreed job search strategy the job center will notify the migration authorities, who will revoke their Swiss residence rights.
- **Notification for short-term employment:** The Posted Workers Act will introduce an online notification process for self-employed individuals. This notification will facilitate monitoring of salary and working conditions and prevent circumvention of the 90-day limit on service provision.
- **Safeguard clause:** The FNIA outlines the requirements for triggering the safeguard clause, requirements for implementing safeguard measures, and responsibilities and procedures. It sets threshold values for net immigration, cross-border employment and unemployment and social assistance claims. If any of these threshold metrics are exceeded, the Federal Council must consider activating



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the safeguard clause. The Federal Council will also evaluate indicators related to immigration, the job market, social security, housing and transport to assess the need for activation. Additionally, cantons may request the Federal Council to consider activating the safeguard clause and propose appropriate regional or cantonal measures.

Further details regarding the aforementioned changes are expected to be provided in the coming months.

### Impact on employers

Switzerland's future workforce needs depend on the immigration flow of EU nationals. The updated AFMP establishes a clear legal framework that facilitates direct access to the EU labor market while incorporating a robust protective mechanism to address any misalignment between immigration and labor market demands. These changes aim to maintain a focus on employment-based immigration, strengthen the Swiss economy by attracting necessary skilled labor, and protecting the social system. The intent of the lawmakers remains focused on employment-based immigration, and as such, employers may remain abreast of these and future developments and assess the impact on their businesses.

### Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

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