

## Work Permit Administration for Expats Hired by Investment Enterprises

### Description

By Mahlet Mesganaw

Email: mahlet@dmethiolawyers.com

The Ethiopian Investment Commission(EIC) has come up with a directive namely Regulating the Issuance of Work Permit to Expats Employed in Investments and the Implementation of Knowledge and Skill Transfer from Expats to Ethiopian No 772/2013( hereafter the Directive). The Directive will come into force when registered in the website of the Federal Attorney General. The uploaded date in the Federal Attorney General is April 14/2021.

The Directive applies to expats hired in investments whose administration falls within the mandate of EIC. However, the Ministry of Labor and Social Affairs (MoLSA) will continue to issue work permits for expats employed by investments enterprises licences by the pertinent government organs in pursuance of powers delegated from the EIC and for expats employed by enterprises outside the scope of the powers of the EIC.

The issuance and number of work permits to be issued has been arranged based on the type of work namely top management positions and non-managerial positions. When it is top management positions, issuance of work permits will be automatic. Whereas when it is non-managerial positions, work permit issuance differ based on the investment levels, namely project construction phase, machinery installation phase, commissioning phase, implementation or operation phase and repair, maintenance, training and audit works.

Under the Directive, the requirements to obtain work permit has been exhaustively listed. In addition to that the conditions for renewal of work permit, revocation or replacement of work permit has been stated in detail as well.

The requirements to obtain new work permit include:

- 1/ duly completed application form;
- 2/ description of personal profile of the foreign employee;
- 3/ academic credentials, professional license or certificate of competence and certificate of service of the foreigner authenticated by a competent government body (original and copy);
- 4/ passport of the foreigner valid for not less than three months;
- 5/ four passport size photographs of the foreigner;
- 6/ as appropriate, valid work visa (WV), or business visa (BV), or work permit;
- 7/ if the expat employee engages in health, education or similar sectors, certificate of competence approved by the relevant government office; educational documents, professional license and certificate of service authenticated by an Ethiopian embassy abroad or the Ministry of Foreign Affairs; and support letter;
- 8/ employment contract between the expat and the enterprise;
- 9/ as appropriate, investment permit or business license;
- 10/ receipt showing payment of service charge determined by law;
- 11/ proof evidencing employment of Ethiopian replacement and assignment – to be operationalized after hiring the expat;

and 12/ training and knowledge transfer program organized by the enterprise – to be offered to Ethiopian replacement employees;

Except for management and impermanent positions of machinery installation, maintenance, renovation, training, supervision and audit and accountancy, an enterprise shall for all other positions, exercise its best endeavor to explore the availability or otherwise of Ethiopians possessing similar professional competence or experience required by the position or sector prior to hiring any expat. An enterprise hiring expats is obliged to set up and provide on the job training and replace expats with Ethiopians within a defined period of time.

MoLSA will handover all active work permit files that fall under this Directive as well as supporting software to EIC within 6 months.

In conclusion the Directive has put EIC in charge of work permits for investments registered under it. The requirements and number of expats to be employed has been set based on the number of Ethiopians employed. And an obligation to hire Ethiopians first and replace expats with Ethiopians within a defined period of time as been endorsed in the Directive. This Directive adds up to the one-window service in ease of investing in Ethiopia.

## Category

1. Latest Posts

## Date Created

May 7, 2021

## Author

dmethiol\_admin