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IMPACT ASSESSMENT REPORT

Accompanying the document

Proposal for a Directive of the European Parliament and of the Council

concerning the status of third-country nationals who are long-term residents (recast)

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Glossary

Term or acronym	*Meaning or definition*
AHQ	Ad Hoc Query
BIPs	Beneficiaries of International Protection
CJEU	Court of Justice of the European Union
DG	Directorate General
EGEM	Expert Group on Economic Migration
EMN	European Migration Network
EU	European Union
EU Charter	Charter of Fundamental Rights of the European Union
FRA	Fundamental Rights Agency
FTE	Full Time Equivalent
GDP	Gross Domestic Product
JRC	Joint Research Centre
LMT	Labour Market Test
LTR	Long-term Resident
LTRD	Long-term residents Directive
MS	Member State/States
NGO	Non-governmental organisation
PO	Policy option
RSB	Regulatory Scrutiny Board
REFIT	Regulatory Fitness and Performance Programme
SME	Small and Medium-sized Enterprise
SPD	Single Permit Directive
TCN	Third country national
TFUE	Treaty on the Functioning of the European Union
UN	United Nations

1. 1. INTRODUCTION: POLITICAL AND LEGAL CONTEXT

The vast majority of migrants arrive in Europe legally. In 2019, the EU Member States issued more than 3 million first residence permits to third-country nationals, of which over 1 million were for employment purposes. In the last decade, third-country workers filled a significant part of new jobs[1], helping to meet labour market needs. During the COVID-19 pandemic, the contribution of third-country nationals to the European economies, labour markets and public services has become all the more evident. For instance, 13% of key workers performing essential functions – from doctors to nurses and drivers – are migrants[2].

The overall number of third-country nationals legally residing in the EU is 23 million, representing 5.1 % of the EU population[3]. Out of this, **over 10 million[4] third-country nationals hold a long-term or permanent residence permit**. This is the target group that Directive 2003/109/EC concerning the status of third-country nationals who are long-term residents[5] – hereafter 'the Directive' – is meant to cover.

The Directive was the second EU legal instrument adopted in the field of legal migration, following the introduction by the Treaty of Amsterdam of the competence for the EU to set common rules for the entry and residence of third-country nationals. The Treaty explicitly requires the Union to develop a common immigration policy, so this is a clear objective to be pursued at EU level. At the same time, legal migration is an area of shared competence between the EU and the Member States, and the Treaty also reserves explicitly to the Member States the right to set volumes of admission for labour migrants they admit.

The political framework for the adoption of this and the other first legal migration instruments were established at the Tampere European Council in October 1999. As regards long-term residents, the Tampere Council conclusions stated that 'a person, who has resided legally in a Member State for a period of time to be determined and who holds a long-term residence permit, should be granted in that Member State a set of uniform rights which are as near as possible to those enjoyed by EU citizens; e.g. the right to reside, receive education, and work as an employee or self-employed person, as well as the principle of non-discrimination vis-à-vis the citizens of the State of residence'[6].

The proposal of the Commission followed closely the political framework established by the European Council, and although a number of compromises were needed during the

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1 OECD (2018), "The contribution of migration to the dynamics of the labour force in OECD countries: 2005-2015"

2 https://ec.europa.eu/jrc/en/news/crucial-contribution-migrant-workers-europes-coronavirus-response

3 https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Migration_and_migrant_population_statistics#Migrant_population:_23_million_non-EU_citizens_living_in_the_EU_on_1_January_2020

4 http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=migr_reslong&lang=en

5 Council Directive 2003/109/EC of 25 November 2003 concerning the status of third-country nationals who are long-term residents.

6 Tampere European Council, 1999, Presidency Conclusions, point 21.

negotiations (at the time unanimity of Member States was required, and the European Parliament was not yet co-legislator in this policy area), the final text adopted by the Council overall complied with those political objectives.

As it is apparent from its recitals 4, 6 and 12, the principal purpose of the Directive is the **integration of third-country nationals who are settled on a long-term basis** in the Member States, which in turn is a key element in promoting economic and social cohesion, a fundamental objective of the European Union stated in the Treaty. To this purpose, the Directive sets out the conditions under which third-country nationals who have legally and continuously resided in a Member State for at least five years can acquire 'EU long-term residence status' (hereafter 'EU LTR status'). The advantages of this residence status are numerous: it is permanent, it grants equal treatment rights in many areas (including full access to employed and self-employed activities), and it ensures reinforced protection against expulsion. While these advantages may also be granted by permanent residence statuses regulated under national law (the Directive allows these parallel national schemes), the EU LTR status additionally grants the possibility to move and reside in other Member States, on the basis of three comprehensive grounds: exercise of an economic activity (work or self-employment); studies and vocational training; other purposes. This 'right to intra-EU mobility' is not, however, an automatic right, but is subject to a number of conditions.

During the over 15 years of application of the Directive, the Commission has received a significant number of complaints, some of them followed up by infringement proceedings, and numerous issues were also subject to judgements of the Court of Justice of the European Union (hereafter CJEU). As elaborated below in Section 2, the case law of the CJEU has had an important role in clarifying a number of important aspects of the Directive: the relation between the EU permit and the national permits, the conditions to acquire the status, and the rights of long-term residents, with particular regard to the area of social security. A summary of the case law on the Directive is presented in Annex 6.

The Commission adopted two implementation reports of the Directive[7], in 2011 and 2019, and also assessed it under the 2019 Fitness Check on legal migration[8]. All this work has pointed out to a number of inconsistencies and shortcomings, as well as practical issues arising from the application of the Directive by the Member States. The Fitness Check, in particular, recommended in its conclusions 'considering putting forward legislative measures to tackle the inconsistencies, gaps and other shortcomings identified, so as to simplify, streamline, complete and generally improve EU legislation'.

The Commission's Communication on a New Pact on Migration and Asylum[9], adopted on 23 September 2020, provides a new comprehensive policy framework at EU level for better management and implementation of asylum and migration policies. With particular regard to legal migration, the Pact sets out that: "More could be done to increase the impact of the EU legal migration framework on Europe's demographic and migration

[7] COM(2011)585, First implementation Report; and COM(2019)161, Second implementation report.
[8] https://ec.europa.eu/home-affairs/what-we-do/policies/legal-migration/fitness-check_en#:~:text=
[9] COM/2020/609 final

challenges. There are a number of inherent shortcomings in the EU legal migration system (such as fragmentation, limited coverage of EU rules, inconsistencies between different Directives, and complex procedures) that could be addressed through measures ranging from better enforcement to new legislation".

Consequently, the Pact announced a plan to address the main shortcomings in the area of legal migration with a 'Skills and Talent package' that would include three new sets of measures[10], responding to the overall objectives of attracting the talent the EU needs, and facilitate intra-EU mobility of third-country workers who are already residing in the EU. The revision of the long-term residents Directive is part of this package, with the objective to create a true EU long-term residence status, in particular by strengthening the right of long-term residents to move and work in other Member States. Together with the revision of the Single Permit Directive 2011/98/EU, this initiative has been included in Annex II of the 2021 Commission work programme[11].

The two legislative initiatives, the revision of the Long-term residents Directive and the revision of the Single Permit Directive are complementary as they address two different phases of the overall migration process: the latter aims at simplifying the first admission of third-country workers in the EU, and improving their rights, while the former aims at facilitating the acquisition of long-term resident status for those third-country nationals (including workers) who have settled down in the EU, as well as further improving their rights.

The European Parliament, in its Resolution of 21 May 2021 on new avenues for legal labour migration[12], welcomed the Commission's planned revision of the Directive, stating that this 'presents an opportunity to enhance mobility and simplify and harmonise procedures'.

2. 2. PROBLEM DEFINITION

2.1. 2.1. What are the problems and their drivers?

The evaluation of the Directive carried out under the Fitness Check on legal migration and the above-mentioned implementation reports, and the consultation process carried out for this impact assessment[13], have revealed a number of gaps, inconsistencies and shortcomings, arising in particular from the application of the Directive by the Member States. These problems have been clustered into three main problem areas:

1) **barriers for third-country nationals to access the EU LTR status** and benefit from it;

[10] The other two initiatives are the review of Directive 2011/98/EU (Single Permit Directive) and the development of an EU Talent Pool for third-country skilled workers

[11] https://ec.europa.eu/info/sites/default/files/2021_commission_work_programme_annexes_en.pdf

[12] European Parliament resolution of 20 May 2021 on new avenues for legal labour migration (2020/2010(INI))

[13] For details on the stakeholder consultation, see Annex 2.

2) **barriers to the integration of long-term residents**, due to a lack of clarity and consistency in the rights granted by the EU status; and

3) **barriers to the intra-EU mobility** of long-term residents.

Other two more specific problems outside the three main problem areas have also been identified:

4) circular migration opportunities for long-term residents are limited;

5) there is a risk of abusive acquisition of the EU LTR status on the basis of investor residence schemes.

The above-mentioned evaluation and consultation process showed, in general, that migrants already residing in, or considering moving to, the EU are negatively affected by the shortcomings of the current Directive, which results in administrative burden, lengthy waiting times, uncertainty and confusion as to applicable rules and outcomes. All this may even discourage migrants from applying for EU LTR status[14]. A limited set of rights, especially as regards their families and intra-EU mobility, may limit their integration in the host societies[15]. It also impacts countries of origin indirectly, as limited remittances are linked to insufficient integration of their nationals in the host countries.

According to several of the stakeholders consulted, EU employers, including big companies, start-ups and small and medium-sized enterprises (hereafter SMEs), are negatively affected by the under-use of the EU LTR status, as this status offers stability to their migrant workers[16]. National, regional and local authorities of Member States are negatively affected, as they have to apply and enforce different and complex sets of rules to assess applications and grant permits[17].

Indirectly, EU citizens are also negatively affected as the EU's labour migration system insufficiently contributes to tackling skills shortages, demographic ageing, increasing old-age dependency ratio, and migrants' integration in the host societies and labour markets[18]. This affects the financial viability of the EU's welfare systems. Furthermore, the way that most Member States have implemented the intra-EU mobility provisions of the Directive has not really contributed to the attainment of the EU internal market, which ultimately also impacts EU citizens[19].

The main driver for these problems is a mix of a **regulatory failure** at EU and Member State level, and **poor implementation** by the competent national authorities. This leads to a general weakness of the current overall EU regulatory framework on granting

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[14] Views expressed by the Commission Expert Group on the Views of Migrants, European Public Employment Services network, Expert Group on Economic Migration, representatives of the Civil Society, EU legal migration practitioners network, and in the EMN Inform, (2020), Long-term resident status in the EU.

[15] *Ibid.*

[16] *Ibid.*

[17] Consultation with representatives of the Civil Society of 20 April 2021; Second meeting of the EU legal migration practitioners network of 29 April 2021.

[18] See Fitness Check, pp. 74-77

[19] EMN Inform, (2020), Long-term resident status in the EU

permanent residence to third-country nationals: the rules across the Member States are incoherent, ineffective and inefficient, with complex and diverging procedures for the acquisition of the status and the exercise of the rights attached to it. Many provisions of the Directive also give a large margin of discretion to the Member States for their implementation, allowing for diverging rules, more or less favourable to the long-term residents. There are also inconsistencies between the Directive and other legal migration Directives adopted later[20].

The following table presents the **main problems and underlying drivers**.

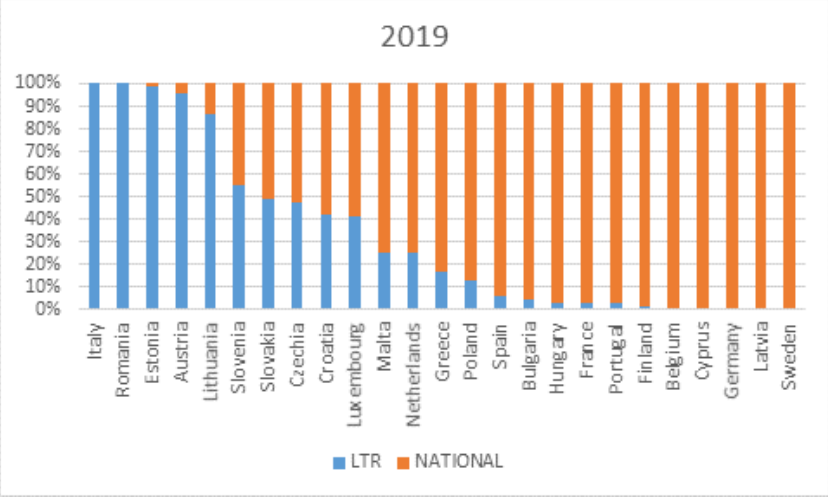
[20] See in particular the analysis on relevance, coherence and effectiveness of the Fitness check.


Problems
Barriers for third-country nationals to access the EU LTR status
Barriers to the intra-EU mobility of long-term residents
Barriers to the integration of long-term residents
Failure to enable circular migration of LTR
Risk of abusive acquisition of EU LTR status through investor schemes
Drivers
No clear rules on the co-existence of the EU and national statuses
Member States do not actively promote the EU status
Strict application of the resources and integration conditions
Years spent as students or on temporary permits may not contribute to reaching the five years
Member States may apply a labour market test and limit access to the labour market
Long application procedure, and not possible to start working or studying with the application pending
Family members of non-mobile long-term residents cannot benefit from the same rights
Limited access to social benefits and housing
Loss of EU LTR status where absence for more than 12 consecutive months
No clear procedure to reacquire EU LTR status after absence
No clear monitoring mechanisms of residence acquired on the basis of investor schemes
The five year residence period needs to be complied with even when TCNs can prove their full integration before
It is not possible to cumulate residence periods in different Member States

Problem area 1: barriers for third-country nationals to access the EU LTR status

Sub-problem 1.1: lack of information and uneven competition with the national permits

Most Member States continue to issue almost exclusively national long-term residence permits. In 2019[21], in the 25 Member States bound by the Directive, there were around 3 million third-country nationals holding an EU LTR permit, compared to around 7 million holding a national long-term residence permit. That year, the EU LTR permits represented less than 5% of all long-term residence permits issued in 10 Member States, with 4 Member States (AT, CZ, EE, IT) issuing 88% of all EU LTR permits, as can be observed in the tables below [22]. On the other hand, most of the permits issued by France, Spain and Germany were issued under national schemes.



	EU	NATIONAL		EU	NATIONAL
Italy	2.099.223	0	Poland	16.333	112.159
Romania	13.581	0	Spain	85.485	1.237.094
Estonia	155.936	1.525	Bulgaria	2.235	43.001
Austria	295.103	12.071	Hungary	1.989	64.676
Lithuania	15.934	2.424	France	65.276	2.087.825
Slovenia	48.994	39.431	Portugal	2.652	88.265
Slovakia	8.170	8.525	Finland	708	43.668
Czechia	98.217	107.443	Belgium	1.891	189.172
Croatia	4.862	6.646	Cyprus	193	26.975
Luxembourg	5.814	8.359	Germany	13.215	2.355.941
Malta	636	1.905	Latvia	793	269.794
Netherlands	38.390	115.480	Sweden	742	369.636
Greece	31.324	156.905			

[21] Complete 2020 data are not yet available at the date of publication of this Report
[22] Eurostat Data on long-term residents by citizenship.

As highlighted in the 2011 and 2019 Commission implementation reports and confirmed in the consultations[23], this low uptake can be attributed to the lack of information available about the EU LTR status among not only third-country nationals but also the national migration administrations; and to the "competition" with long-established national schemes, as the Directive allows Member States to issue national permanent residence permits in parallel with the EU LTR permit. 21 Member States[24] have parallel national schemes, which can have more favourable provisions (Article 13 of the Directive), thus creating a risk of competition.

Besides the right to intra-EU mobility, which can only be granted by the EU LTR status, it is difficult to compare the EU status with the national ones[25]. The co-existence of the two systems does not necessarily result in more favourable provisions being applied to the third-country nationals, due to the difficulty to compare advantages and disadvantages respectively granted by the two kinds of permits. This was confirmed by the results of a 2016 European Migration Network (EMN) ad-hoc query[26], highlighting that in some cases national long-term residence permits, while granted under more favourable conditions (e.g. less than five years of residence, or no income requirement), provide fewer equal treatment rights or less protection against expulsion. The preliminary findings of a study carried out by the Fundamental Rights Agency (FRA)[27] further confirm this, with experts interviewed highlighting that third-country nationals do not necessarily understand the added value of applying for a residence permit which is more difficult to acquire.

This implies that many third-country nationals who could benefit from the rights guaranteed by the EU status, as they do not have a real access to the EU status, they also do not have access to those rights. As a result, there is no 'level-playing field' between the EU LTR permits and the national permanent residence permits, as often third-country nationals do not have a real choice between the two[28].

Drivers

The main driver of this sub-problem is a **regulatory failure**, as the current Directive, on the one hand, allows Member States to keep their parallel national schemes, but, on the other hand, does not establish any clear rules on the co-existence of the EU and national

[23] Fifth meeting of the Informal Expert Group on Economic Migration (EGEM), 14 April 2021.
[24] Four Member States do not have parallel national schemes: AT, IT, LU, RO
[25] European Commission (2019) 161 final, Second implementation report, p.7.
[26] EMN (2016) Ad-hoc query on COM AHQ on National Residents Permits of Permanent or Unlimited Validity.
[27] Initial findings of the ongoing study by FRA on the Fundamental Rights of Long-term residence status holder. The final FRA report is expected to be published in the second quarter of 2022.
[28] EMN Inform, (2020), Long-term resident status in the EU. For example, some Member States, such as Germany, often hand out a domestic long-term resident status under national laws unless third country nationals explicitly ask for the EU status, see also Thym, D. (2016), "Long Term Residents Directive 2003/109/EC" in Kay Hailbronner and Daniel Thym (eds.), EU Immigration and Asylum Law: A Commentary, 2nd edition, Munich: C.H. Beck.

permits or any mechanisms to ensure that third-country nationals have a real choice between the EU and national permits. This leads to competition which does not benefit the potential beneficiaries of the status and also undermines the broader benefits for the EU as a whole of having an LTR status.

The above-mentioned regulatory failure adds to a **poor implementation** by the Member States, which in many cases do not actively promote the issuance of EU LTR permits, and do not provide sufficient and accessible information on the procedures to apply for the status[29]; for instance, only eight Member States have a dedicated strategy in place to provide information on the EU LTR status[30]. This is supported by preliminary findings from the FRA study, where experts and national authorities consulted from nine Member States[31] considered that one of the main reasons for the lower number of EU LTR permits issued is the lack of information provided by the national authorities.[32] It also emerged from the consultations that some national administration and local agencies in charge of immigration were not aware of the EU status or found it too complicated[33]. This could be due to a lack of technical support or training on the EU LTR permit.

However, the differences in Member States practices may also reflect political choices, national rules or local administrations' practices[34]. For example, in some Member States, third-country nationals may already acquire citizenship after five years of legal and continuous residence[35]. Restrictions on the access to the EU status (see sub-problem 1.2) and on the rights attached to it (see problem area 2) further reduce its attractiveness, as well as barriers introduced by Member States to intra-EU mobility (see problem area 3).

Sub-problem 1.2: the conditions to acquire the EU LTR status are too difficult to meet

The conditions to acquire the EU LTR status may be too difficult to meet for a significant number of third-country nationals, who are therefore prevented from benefiting from this status as a tool for integration in the host society. In particular:

- In most cases periods of legal residence on temporary grounds (such as student years, temporary work, or previous residence in other Member States) do not count to the calculation of the required period of five years of legal and continuous residence;
- Some Member States apply the condition for stable and regular resources and integration conditions strictly, going against the proportionality test set by the CJEU requiring an individual examination of the personal situation of each applicant[36] . In

[29] EMN (2016) Ad-hoc query on National Residents Permits of Permanent or Unlimited Validity. See also Third meeting of the Commission Expert Group on the Views of Migrants of 2 March 2021 and Fifth meeting of the Informal Expert Group on Economic Migration (EGEM) of 14 April 2021.
[30] EMN (2020) Inform on long-term residence status in the EU: BG, DE, HR, IE, IT, LU, PL, SE.
[31] BE, CZ, DE, ES, FR, IT, PL, PT, SE.
[32] Initial findings of the ongoing study by FRA on the Fundamental Rights of Long-term residence status holder, pp. 9 and 18.
[33] Consultation with representatives of the Civil Society, 20 April 2020.
[34] *Ibid*.
[35] See for example the 2019 EMN study on pathways to citizenship (p. 17): https://ec.europa.eu/home-affairs/sites/homeaffairs/files/00_eu_emn_study_synthesis_report_citizenship_final_en_0.pdf.
[36] See case Chakroun, C-578/08.

most cases[37], third-country nationals are required to provide *proof of having a regular income* that is at least equivalent either to the minimum monthly salary (from 312€ in BG to 2142€ in LU[38]) or the minimum monthly basic income or benefit (from 165€ in PL to 600€ in PT[39]). Furthermore, 12 Member States request documentation with regard to appropriate accommodation, some of them considering that the failure to provide it is a ground for refusing an application[40].

- 15 Member States[41] have transposed the optional clause of requiring compliance with *integration conditions*. Academic studies report that in most cases, strict language knowledge requirements can limit access to permanent residence to "well integrated migrants"[42]. Consultations with representatives of migrant organisations as well as preliminary findings from the FRA study showed that in some Member States[43], the level of language proficiency required was deemed disproportionate considering the difficulties that a third-country national might face to have access to language courses or certification[44].

Drivers

This sub-problem is due both to a **regulatory failure**, as the conditions set by the Directive are very broad and leave a wide discretion to the national migration authorities, and to the **implementation** of these conditions by the Member States, which eventually exclude a significant number of third-country nationals to benefit from the status. In particular:

- Resident permits on temporary grounds or formally limited are excluded from the calculation of the five years (Article 3(2)(e) of the Directive). Furthermore, this exception is not clear and some Member States apply it too strictly[45], despite the clarifications brought by the case-law of the CJEU[46].
- The residence periods spent as students may not be counted at all or, if counted, only as half (Article 4(2) second paragraph), so that a student who e.g. completed a Masters' degree and started working afterwards cannot apply for the EU LTR status, even if he/she can demonstrate to be fully integrated[47];

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37 EMN Inform (2020), Long-term resident status in the EU, p. 6 to 8.

38 Eurostat (2021) Monthly minimum wages, for the first semester of 2020 – bi-annual data, earn_mw_cur.

39 EMN Ad Hoc Query 2019.98 on European Union Long-term residence – Part 1.

40 European Commission (2019) 161 final, Second implementation report, p. 4.

41 CY, CZ, DE, EE, EL, FR, HR, IT, LV, LT, LU, MT, NL, PL, PT.

42 Bocker, A., Strik, T., *Language and Knowledge Tests for Permanent Residence Rights: help or hindrance for integration?* European Journal of Migration and Law 13. p.173

43 For example, DE and PL, see the initial findings of the ongoing study by FRA on the Fundamental Rights of Long-term residence status holder, p. 5.

44 Third meeting of the Commission Expert Group on the Views of Migrants (2 March 2021)

45 According to the Commission implementation report 2011, several Member State are applying a broad reading of this exception (AT, CY, EL, IT, PL).

46 CJEU (2012), C-502/10, *Singh.*

47 This issue was raised several times in the consultations: Fifth meeting of the Informal Expert Group on Economic Migration, 14 April 2021 and the Second meeting of the EU legal migration practitioners' network, 29 April 2021.

- Periods of legal and continuous residence in different Member States cannot be cumulated[48] (Article 4(1));
- Member States have a large discretion in applying the requirements of "stable and regular resources" ('shall clause' in Article 5(1)(a)) and of compliance with "integration conditions" ('may clause' in Article 5(2)), and some Member States apply them in a very strict manner (though this discretion has been partially framed by the case law of the CJEU)[49].

Problem area 2: barriers to the integration of long-term residents

As repeatedly confirmed by the CJEU[50], the principal purpose of the Directive is the integration of third-country nationals who are settled on a long-term basis in the Member States. Besides granting the right to reside permanently in a Member State, the main integration tool provided by the Directive is represented by the right to be treated equally as nationals, in a number of important areas such as work, education, and social benefits. While the status of long-term resident should benefit from the highest standard of rights compared to other (temporary) migration statuses, the consultation showed that there are still many instances where long-term residents face discrimination[51]. Besides anecdotal evidence, however, there are no data to indicate to what extent the integration objective has been achieved, as there are no comprehensive and reliable study on the integration of long-term residents.

The Fitness check showed clearly that there are a number of inconsistencies between the Long-term residents Directive and other EU Directives on legal migration adopted later, with regard to the rights granted to long-term residents and their family members. In particular:

- As the family situation of long-term residents is regulated only in case of mobility to other Member States, the spouse and children of long-term residents who do not move to other Member States may not benefit from the same rights of their 'sponsor', which may undermine the main objective of the Directive to be an instrument for integration;
- Access to housing for long-term residents is unclear, and in particular the right to buy immovable property. This lack of clarity has brought some Member States not to allow long-term residents to buy immovable property, which undermines the main objective of the Directive to be an instrument for integration;
- In some Member States long-term residents may only have access to 'core benefits' in relation to social assistance and social protection;
- If family members of a long-term resident reside outside the Member State, the latter may not have access to family benefits.

The uncertainties in the application of the existing derogations to the principle of equal treatment led to several interventions of the CJEU. However, academics commented that,

[48] Only EU Blue Card holders are allowed to cumulate periods of residence in different Member States (Article 16 of Directive 2009/50/EC).
[49] See *P&S*, C-579/13; *X./Belgium*, C-503-592/19; *CGIL and INCA*, C-309/14; *Chakroun*, C-578/08.
[50] See *Commission v Netherlands*, C-508/10
[51] See Annex 2.

considering the large discretion offered to the Member States in their application of the principle of equal treatment, the "degree of convergence achieved by the Directive amounts to 'comparable treatment' instead of the original promise of 'equal treatment' in the areas covered by Article 11"[52].

Drivers

This problem is due both to a **regulatory failure**, as the current Directive in some instances fails to grant long-term residents and their family members a set of uniform rights which are as near as possible to those enjoyed by EU citizens (as per the objective stated in the Tampere Council conclusions and reiterated in Recital 2 of the Directive), and to poor **implementation** by the Member States. The Directive includes a number of derogations to the principle of equal treatment that are used by many Member States, showing their reluctance to grant third-country nationals, even those residing legally on their territory for years, the same rights as their nationals. In particular:

- The Directive does not grant specific rights to the family members of the long-term residents besides the case of mobility to other Member States;
- Under Article 11(1)(f), equal treatment with regards to housing is limited to "*procedures* for obtaining housing". The fact that the article refers to access to the procedures rather than access to housing in general seems to emphasise that "the provision contains no individual right that housing shall be made available to individuals". It also leaves discretion to the Member States when it comes to activities by long-term residents relating to housing, such as land purchases[53]. This lack of clarity was also highlighted by Civil Society representatives[54].
- Article 11(4) allows the Member States to limit access to social assistance and social protection to 'core benefits', and the interpretation of this derogation has led to divergent implementation in the Member States (partially clarified by the case law of the CJEU[55]). Also, as highlighted by Civil Society representatives and members of the EU legal migration practitioners' network[56], the definition of social security (including the export of pensions) is not aligned with the other legal migration Directives[57], and there are uncertainties as to the distinction with social assistance and social protection;
- Article 11(2) allows Member States to derogate from the principle of equal treatment with regard to family benefits where the family members of the long-term resident

[52] Thym, D. (2016), *"Long Term Residents Directive 2003/109/3C"* in Kay Hailbronner and Daniel Thym (eds.), EU Immigration and Asylum Law: A Commentary, 2nd edition, Munich: C.H. Beck, p.480.

[53] Thym D. (2016), *"Long Term Residents Directive 2003/109/3C"* in Kay Hailbronner and Daniel Thym (eds.), EU Immigration and Asylum Law: A Commentary, 2nd edition, Munich: C.H. Beck, p.489.

[54] Consultation with representatives of Civil Society, 20 April 2021.

[55] See CJEU, judgment of 24 April 2012, case C-571/10, *Kamberaj*.

[56] Consultation with representatives of Civil Society, 20 April 2021 and Consultation with members of the legal migration network of practitioners, 29 April 2021.

[57] In particular, there is no reference to Regulation (EC) No 883/2004, and no equal treatment with regards to export of pensions (see Directive 2011/98/EU, Article 12(1)(e) and 12(4).

reside outside the Member State: this is inconsistent with the regime of the other legal migration Directives, including the Single Permit Directive[58].

Problem area 3: Barriers to exercise the intra-EU mobility rights

Holders of EU LTR permits face a number of barriers in exercising the right to move and reside in other Member States for work, study, or other reasons. In particular:

- When a long-term resident has an offer for a job in a second Member State, this country may apply a labour market test (hereafter LMT) before accepting his/her application, to check if that job could be filled first by EU nationals[59];
- Delays in the assessment of an application in a second Member State can jeopardise the work or study opportunities there[60]. In particular, only 12 Member States allow for the application to be submitted from the first Member State (to embassies or consulates of the second Member State)[61]. Civil society representatives stressed that this might demotivate employers from hiring long-term residents from other Member States or even considering them as job candidates[62];
- 'Mobile' long-term residents face important difficulties in the recognition of their professional qualifications. Members of the European Network of Public Employment Services highlighted this as one of the key barriers preventing third-country nationals from accessing the labour market of other Member States[63], confirming the responses to the Legal Migration Fitness Check Public Consultation[64];
- 11 Member States[65] apply restrictions to the labour market access for 'mobile' long-term residents, either limiting it to a single employer[66] or a single professional field[67]. In addition, two Member States[68] apply quotas for the admission of 'mobile' long-term residents, in line with Article 14(4) of the Directive. In three Member States[69] 'mobile' long-term residents may be required to attend language courses.

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58 While Member States may apply derogations to those who reside outside the territory of Member States, the CJEU clarified that "those derogations can be relied on only if the authorities in the Member State concerned, who are responsible for the implementation of that Directive, have stated clearly that they intended to rely on them". CJEU, Judgement of 25 November 2020, case C-303/19, *Istituto nazionale della previdenza sociale*.

59 16 Member States have implemented this option under Article 14(3) of the Directive, see European Commission (2019) 161 final, Second implementation report, p.7 and EMN Inform (2020) Long-term residence status in the EU, p.12.

60 This was confirmed by members of the Informal Expert Group on Economic Migration and the Migrant Expert Group.

61 BE, CZ, DE, EE, ES, FI, LV, LU, NL, SE, SI, SK, see EMN Inform (2020) Long-term residence status in the EU, p.2.

62 Consultation with representatives of the Migrant Expert Group, 2 March 2021.

63 Consultation with Members of the European Public Employment Services Network, 10 March 2021.

64 European Commission (2019) 1055 final, Legal Migration Fitness Check, Summary of Replies to the public consultation on legal migration by non-EU citizens, pp. 46-47.

65 BE, DE, EE, FI, FR, HR, LV, LU, NL, PT, SK

66 FI, FR, LU.

67 BE, EE, FI (for specific reasons, such as posted work), FR, HR, LV.

68 EE and IT.

69 DE, FR, IT.

Experts in all nine Member States covered by the FRA study highlighted that such labour market restrictions limit the intra-EU mobility of EU LTR permit holders[70];

- 'Mobile' long-term residents need to reside for five years in the second Member State before being allowed to apply for EU LTR status there. Members of the Informal Expert Group on Economic Migration highlighted that employers would prefer this time to be reduced, in order to lower their administrative burden in terms of having to request permit renewals, etc.

Civil Society representatives[71] and members of the EU legal migration practitioners' network[72] underlined that the current barriers to intra-EU mobility are one of the key factors decreasing the attractiveness of the EU to migrants with skills required by the European labour market, though there are no reliable data to assume that the 'attractiveness' of the EU LTR status is a decisive factor in the 'attractiveness' of the EU or some Member States as a migration destination. Some members of the Informal Expert Group on Economic Migration[73] also highlighted that removing these barriers could be an important tool in times of crises and economic recessions. Those might have a very asymmetrical impact on Member States in terms of availability of occupations and employment rates, which has in the past pushed third-country workers and their families to move to other Member States for work. Some representatives considered this likely to happen again, with the crisis and recession triggered by the COVID-19 pandemic[74].

Drivers

This problem is due to a **regulatory failure**, as the right of long-term residents to move and reside in other Member States is subject to a number of strict conditions in the current Directive, as well as to the strict **implementation** of these conditions by the Member States, and to the fact that the competent national administrations are not sufficiently familiar with the mobility procedures[75]. In particular:

- Member States may apply a LMT before accepting applications for intra-EU mobility (Article 4(3));
- 'mobile' long-term residents are not allowed to start working or studying in the second Member State while the application is being assessed (Article 21(2));
- the deadline to process applications for intra-EU mobility is longer than in the more recent legal migration directives (four months vs. 90 days – Article 19(1))[76];

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70 In BE, CZ, DE, ES, FR, IT, PL, PT, SE, see the initial findings of the ongoing study by FRA on the Fundamental Rights of Long-term residence status holder, p. 13.

71 Consultation with representatives of the Civil Society, 20 April 2021.

72 Consultation with representatives of the EU legal migration practitioners' network, 29 April 2021.

73 Meeting of 14 April 2021.

74 This is supported by the findings of a study analysing the mobility of third-country nationals in the EU during the 2008-2013 recession, which found that migrants tended to respond faster and more flexibly to labour imbalances caused by the recession compared to the native population, bearing a large share of the burden of adjustment: Kahanec, M., Guzi, M. (2017) *"How immigrants helped EU labour markets to adjust during the Great Recession"*, International Journal of Manpower, September 2017.

75 See Fitness Check, p. 19.

76 Blue Card Directive, Articles 11 and 17; Students and researchers Directive, Article 29.

- ‘mobile’ long-term residents do not benefit from the EU regime of recognition of professional qualifications when they apply for a residence permit in a second Member State[77];
- Member States may limit the access to the labour market for ‘mobile’ long-term residents and their family members for a period of up to 12 months (Article 21);
- ‘mobile’ long-term residents need to reside for five years in the second Member State before being allowed to apply for EU LTR status there (Article 23).

Problem area 4: failure to ensure circular migration of long-term residents

Long-term residents lose their status where they are absent from the territory of the EU for more than one year. This regime does not allow the circular migration for long-term residents, who are discouraged from leaving the territory of the EU for periods longer than one year because of the risk of losing the status. This also has an indirect impact on the countries of origin, who could benefit from circular migration in terms of brain gain.

In the consultations, Civil Society representatives argued to increase the period of allowed absence, as this would facilitate circular migration and promote the possibility for migrants to invest in their countries of origin and share the knowledge and skills acquired during their time in the EU, as well as to return temporarily to their countries for personal and family circumstances[78].

Drivers

The main driver of this problem is a **regulatory failure**, as (Article 9(1)(c) of the Directive establishes that long-term residents lose their status where they are absent from the territory of the EU for more than 12 consecutive months[79], and the concept of absence is not defined in the Directive[80].

While Article 9(2) of the Directive allows Member States to consider absences exceeding 12 consecutive months for specific or exceptional reasons, only 14 Member States have decided to apply this derogation[81]. Also, Article 9(5) of the Directive introduced a facilitated procedure to reacquire the status in those cases, but this regime leaves a large room for discretion to Member States. Only 15 Member States have it in place[82] and conditions are sometimes excessive[83].

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77 Directive 2005/36/EC as amended by Directive 2013/55/EU.

78 Consultation with representatives of Civil Society, 20 April 2021.

79 The Commission had proposed a period of two years, with exceptions, for the loss of status, in line with corresponding rules for Union citizens in the Citizenship Directive (See Article 10(1)(a), (3) Commission Proposal, COM(2001) 127 mirroring Article 16(4) Directive 2004/38/EC). This proposal was not followed by the Council.

80 For clarification on the concept of absence, see CJEU (pending) C-432/20, *Z.K./Landeshauptmann*.

81 BE, BG, CZ, EE, ES, FI, FR, LV, LT, LU, MT, NL, PT, SI in EMN Inform (2020) Long-term resident status in the EU, p. 10.

82 BE, BG, CY, CZ, EE, ES, FR, HU, IT, LV, LT, LU, LV, PL, PT, in EMN Inform (2020) Long-term resident status in the EU, p. 15.

83 European Commission (2019) 161 final, Second implementation report, p. 5.

Problem area 5: risk of abusive acquisition of the EU LTR status through investor schemes

Under the Directive, the EU LTR status is granted to third-country nationals who have resided legally and continuously within the Member States' territory for five years and thus are deemed to be well integrated. The continuity of presence is normally interrupted by absences of more than six consecutive months, or by an overall absence exceeding ten months within five years. However, there could be situations where, in the absence of an effective monitoring of the continuity of presence in the country or even of a requirement on physical presence, third-country investors could acquire EU LTR status, including intra-EU mobility rights, without fulfilling the actual condition of the continuity of residence for five years. The 2019 Commission Report on "Investor Citizenship and Residence Schemes in the EU"[84] identified this as a potential risk, especially in cases where the continuous physical presence of holders of investor permits is not required or required only for a limited time. There is no available evidence to indicate the scale of this risk, but the Commission has committed in the report to monitor identified risks and take steps, as necessary.

Drivers

The main driver of this problem is due to poor **implementation** by Member States of the Directive obligation to monitor the actual residence for investors, due to ineffective or non-existing monitoring systems on the residence requirement. The 2019 Commission Report highlighted that investor residence schemes exist to date in 19 Member States under different features (e.g. regarding the nature and amount of the investment)[85], and that in several Member States the investor residence schemes do not require continuous physical presence or only require the investors' presence for a very limited time[86]. Given that the Member States concerned are obtaining a financial benefit from granting this type of residence permits, there are insufficient incentives to effectively monitor the continuous residence requirement.

2.2. 2.2. How will the problem evolve?

Without EU action, the problems identified will continue to exist and possibly, in a few areas, exacerbate. More particularly, the EU LTR status will continue to be under-used and, based on trends witnessed over the past 10 years, may further worsen proportionally: while from 2012 – 2015 the share of EU LTR permits on the total LTR permits was around 40%, the shares in the subsequent years have been going down to 29% in 2019. Without making it easier to obtain the EU LTR status, third-country nationals are likely to continue encountering difficulties when applying for the status. As a direct result, they may thus prefer applying for national schemes.

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[84] Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Investor Citizenship and Residence Schemes in the European Union | European Commission (europa.eu).

[85] BG, CZ, EE, IE, EL, ES, FR, HR, IT, CY LV, LT, LU, MT, NL, PO, PT, RO, SK.

[86] BG, CZ, EE, IE, EL, FR, LV, LT, LU, MT, PO, RO, SK.

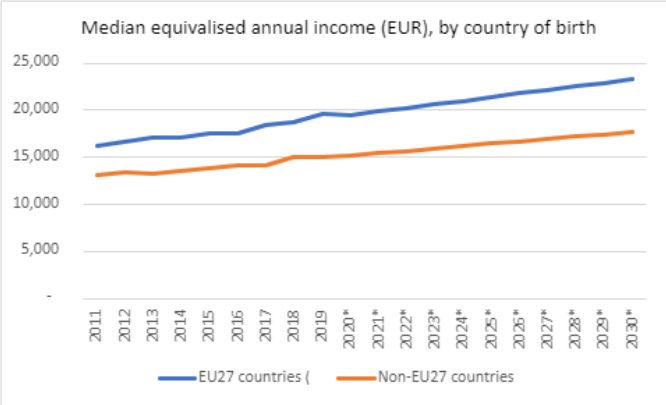
Barriers to intra-EU mobility will also persist, in particular considering that there is no evidence that Member States are willing to remove the LMTs, and/or put in place a truly facilitated procedure for 'mobile' long-term residents. In addition, the declining trend in EU LTR permits granted would also imply that the cohort of those who are eligible for intra-EU mobility will gradually decrease in size or stabilise. This in turn means that labour markets cannot fully benefit from mobile long-term residents to address shortages. This will affect the potential contribution of long-term residents to the attainment of the internal market.

Third countries will also continue not being able to fully benefit from the potential economic gain of their nationals being long-term residents in the EU, considering the restrictions in place on the allowed absences without losing the status. Such restrictions are currently hampering circular migration and the extent to which third-country nationals can invest, work or otherwise contribute to the economy in their home countries.

EU long-term residents will continue facing legal uncertainty around their rights and those of their family members, and in some areas they will not be treated equally as EU citizens. Finally, the current risk of abusing investor schemes to obtain the EU LTR status is also expected to persist, in the absence of Member States taking appropriate measures.

As a consequence, the attractiveness of the EU LTR status is likely to reduce or at least not to increase in the coming 10 years. The persisting problems may also have an effect on the integration of long-term residents. As European statistics on the integration of migrants consistently show[87], third-country nationals living in the EU continue to lag behind nationals and mobile EU citizens in terms of employment rates, being at-risk of poverty and median income. For example, as shown in Figure 1 below, the gap between the median equivalised income of citizens from EU countries and those living in the EU but from third countries is likely to widen somewhat also in the future, when applying extrapolation based on 2011-2019 Eurostat statistics.

Figure 1. Median equivalised annual income in euro, by groups of country of birth



Source: Eurostat statistics on migrant integration (ilc_di16_1_Data)

[87] https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Migrant_integration_statistics_%E2%80%93_labour_market_indicators

3. 3. WHY SHOULD THE EU ACT?

3.1. 3.1. Legal basis

The legal basis for Union action in the area is established in Article 79(2) (a) and (b) of the Treaty on the Functioning of the European Union (TFEU), in connection with Article 79(1) of the same Treaty. These provisions state that the "Union shall develop a common immigration policy aimed at ensuring, at all stages, the efficient management of migration flows, fair treatment of third-country nationals residing legally in Member States, (…)". For this purpose, the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, "shall adopt measures in the following areas: (a) the conditions of entry and residence, and standards on the issue by Member States of long-term visas and residence permits (…)" and "(b) the definition of the rights of third-country nationals residing legally in a Member State, including the conditions governing freedom of movement and of residence in other Member States". Directive 2003/109/EC was adopted on Article 63(3) and (4) of the Treaty establishing the European Community, the Article corresponding to Article 79(2) (a) and (b) prior to the changes brought by the Treaty of Lisbon.

3.2. 3.2. Subsidiarity: Necessity of EU action

The principle of subsidiarity applies since this is an area of shared competence. In particular, any measure proposed in the area of legal migration "shall not affect the right of Member States to determine volumes of admission of third-country nationals coming from third countries to their territory in order to seek work, whether employed or self-employed" (Article 79(5) TFEU). The need for a common EU framework on legal migration is linked to the abolition of internal border controls within the EU and the creation of the Schengen area. In this context, the migration policies and decisions of one Member State affect other Member States, so it is deemed necessary to have a set of common EU rules in relation to the conditions and procedures for allowing third-country nationals to enter and reside in the EU, and to lay down their rights following admission[88].

3.3. 3.3. Subsidiarity: Added value of EU action

The TFEU explicitly empowers the Union to develop a common immigration policy, so this is a clear objective to be pursued at EU level. At the same time, legal migration is an area of shared competence between the EU and the Member States, and the Treaty also reserves explicitly to the Member States the right to set volumes of admission for labour migrants they admit. The Fitness check showed that the legal migration Directives, including the long-term residents Directive, have had a number of positive effects that would not have been realised by Member States acting alone. While positions on specific aspects often vary (e.g. across Member States, Non-Governmental Organisations (NGOs), businesses, individual migrants), all stakeholders, including Member States,

[88] See Fitness check, page 3.

confirmed the continued overall added value of the EU legal migration acquis[89]. The main positive effects identified by the Fitness check are: a degree of harmonisation of conditions, procedures and rights, helping to create a level playing field across Member States; simplified administrative procedures; improved legal certainty and predictability for third-country nationals, employers, and administrations; improved recognition of the rights of third-country nationals (namely the right to be treated on an equal basis with nationals in a number of important areas, such as working conditions, access to education and social security benefits, and procedural rights); improved intra-EU mobility. However, despite these positive effects, the Fitness check also concluded that there is clearly room for further harmonisation and simplification at EU level.

The revision of the Long-term residents Directive aims precisely at such further harmonisation and simplification. In particular, improved rights would benefit third-country nationals and facilitated access to EU LTR status would ensure a secure and stable residence status for third-country nationals who would not otherwise satisfy the conditions for acquiring citizenship status.

Finally, efficient rules on intra-EU mobility can be established only at EU level, since no national migration policy has ever provided facilitations for applications from third-country nationals residing in another Member State. Furthermore, the Member States' prerogative to establish how many economic migrants they admit relates only to third-country workers from outside the EU, and does not apply to intra-EU mobility. Therefore, EU rules have an important influence on the efficient mobility of third-country nationals across the Member States. Improved intra-EU mobility rules for long-term residents would not require any significant additional transfer of competences from Member States to the EU level as easier intra-EU mobility is already envisaged — even if to a limited extent — in the current Directive. Moreover, further-reaching schemes on mobility have already been agreed for Intra-Corporate Transferees, Students and Researchers, and highly qualified workers (EU Blue Card).

4. 4. OBJECTIVES: WHAT IS TO BE ACHIEVED?

4.1. 4.1. General objectives

Based on the problem analysis, and taking into account the role of the Directive within the overall EU's legal framework in the field of legal migration as established in the 2019 Fitness Check, the general policy objectives of the initiative are:

1) To ensure the efficient management of migration flows in the EU through the approximation and harmonisation of Member States' national legislation;
2) To ensure the fair treatment of third-country nationals legally residing in the EU;
3) To strengthen the EU's competitiveness and economic growth.

[89] *Ibid*, page 94

4.2. 4.2. Specific objectives

This initiative does not aim to overhaul the objectives of the current Directive, but to address in a targeted way the problems analysed above.

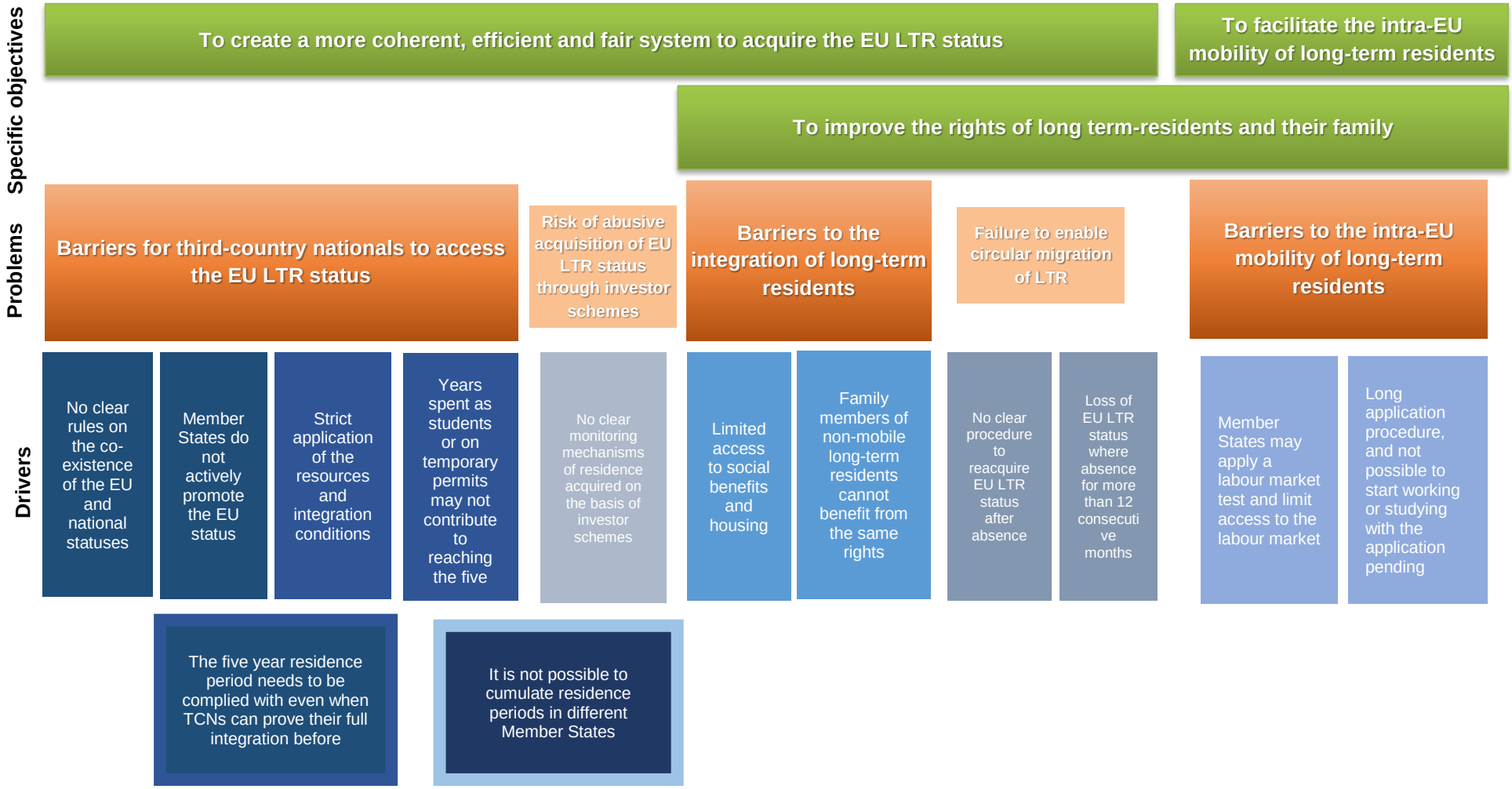
Based on that, the specific policy objectives of the initiative are:

1) To create a more coherent, efficient and fair system to acquire the EU long-term resident status;
2) To facilitate the intra-EU mobility of long-term residents;
3) To improve the rights of long term-residents and their family.

The three specific objectives are all complementary and inter-twined. In particular, there is no trade-off between the objective of integration in the first Member State and the right to move to a second Member State or to exercise circular migration. The acquisition of the EU long-term residence status is the 'acknowledgement' that a third-country national is well integrated in the first Member State, and full integration should also entail the right for long-term residents to reside in other Member States or to be absent for the EU for a period of time without losing the status.

In particular, the integration of third-country nationals in one Member State needs to be seen in the overall context of the development of a common EU migration policy, where a third-country national who is integrated in one Member State should be entitled to continue this integration process in other Member States, and therefore able to move across the Union if he/she wishes so.

The table below illustrates the links between the problems and their drivers with the objectives.


Specific objectives
To create a more coherent, efficient and fair system to acquire the EU LTR status
To facilitate the intra-EU mobility of long-term residents
To improve the rights of long term-residents and their family
Problems
Barriers for third-country nationals to access the EU LTR status
Risk of abusive acquisition of EU LTR status through investor schemes
Barriers to the integration of long-term residents
Failure to enable circular migration of LTR
Barriers to the intra-EU mobility of long-term residents
Drivers
No clear rules on the co-existence of the EU and national statuses
Member States do not actively promote the EU status
Strict application of the resources and integration conditions
Years spent as students or on temporary permits may not contribute to reaching the five
No clear monitoring mechanisms of residence acquired on the basis of investor schemes
Limited access to social benefits and housing
Family members of non-mobile long-term residents cannot benefit from the same rights
No clear procedure to reacquire EU LTR status after absence
Loss of EU LTR status where absence for more than 12 consecuti ve months
Member States may apply a labour market test and limit access to the labour market
Long application procedure, and not possible to start working or studying with the application pending
The five year residence period needs to be complied with even when TCNs can prove their full integration before
It is not possible to cumulate residence periods in different Member States

5. 5. WHAT ARE THE AVAILABLE POLICY OPTIONS?

5.1. 5.1. What is the baseline from which options are assessed?

The current Directive would continue to be applied without legislative changes. Existing monitoring and enforcement activities of the current legislation would continue, as reported in the Commission implementation report of 2019[90]. Furthermore, it can be expected that there would be additional guidance from the evolving case law of the EU Court of Justice and national courts.

The baseline should also take into account the revision of the Single Permit Directive, which is expected to simplify the first admission for third-country workers and improving their rights. However, as the expected increase in the number of third-country nationals obtaining single permits is expected to be very limited as a result of the revision, it would also not have a significant impact on the number of potential applicants for EU LTR status.

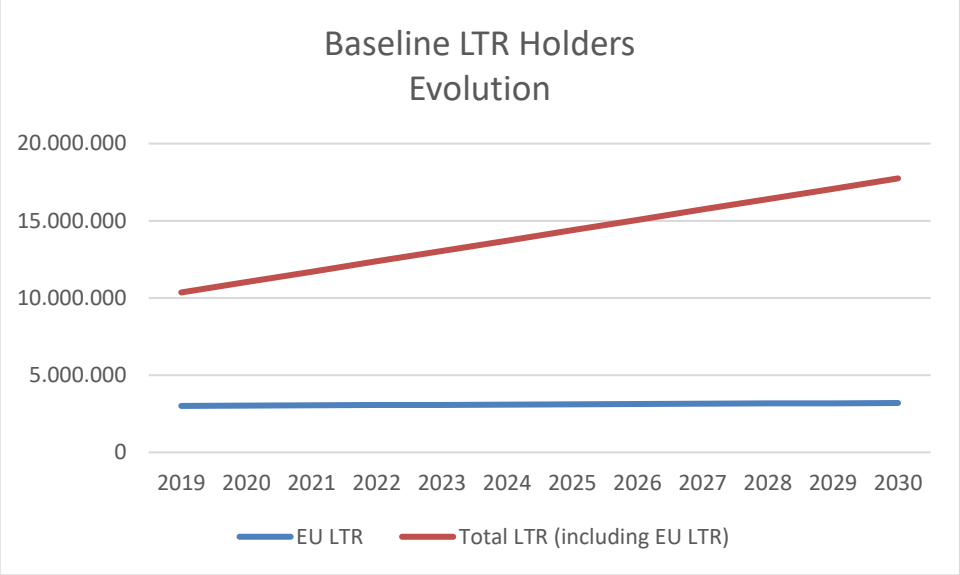
For the assessment of the policy options (PO), the following main baseline assumptions have been made[91]:

- Without EU action, the number of EU LTR status holders (stock and flow) will evolve in a linear way, based on extrapolation using Eurostat statistics from 2015 to 2019, which thus takes into account the gradual decline in the share of EU permits vis-a-vis national permits over the second half of that decade[92], whilst also considering the continuously growing total number of third-country nationals with long-term residence status.

[90] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019DC0161&from=EN.

[91] For more details on the baseline assumptions, see Annex 4.

[92] The significant growth of national permits from 2015 to 2016 is notably due to the inclusion of data for Germany that was not available before.



Source: projections based on Eurostat data 2019 LTR status holders (migr_reslong)

- From the limited statistics available on overall movements of third-country nationals in absolute terms, it seems clear that these remain small when compared to movements of EU citizens across Member States[93]. When processed and extrapolated, this limited data suggests that, compared to the 3-4% of EU citizens who are mobile,[94] only 2% of the long-term residents are estimated to be mobile.

The detailed assumptions used to estimate the costs and the economic impacts of the POs are summarised in section 6, and further explained in Annex 4.

5.2. 5.2. Description of the policy options

Based on the problem definition and objectives described above, four different policy options have been identified, one non-legislative and three legislative. The legislative policy options have been developed by presenting a range of increasingly ambitious policy measures (from PO2 – less ambitious to PO4 – more ambitious). No policy options have been discarded, as all different policy measures emerged from the consultation and impact assessment process have been included in the four options.

Option 1: actions to improve the effectiveness of the Directive (non-legislative option)

This policy option would involve non-legislative actions aimed at enhancing the implementation of the Directive and the promotion of the EU LTR status, without any legislative change. The key measures would be:

[93] EMN (2013), Intra-EU Mobility of third-country nationals; and EMN (2021) Ad Hoc Query 2021.37 and 2021.36 to support an impact assessment study on the revision of the Long-term Residents and Single Permit Directives.

[94] European Commission, 2019 Annual Report on Intra-EU Labour Mobility

1.1. The Commission enhances the implementation of the Directive through increasing enforcement measures, including infringement procedures, and supports further practical cooperation between Member States. Member States' experts exchange information on best practices and perceived trends, as well as on possible fraud and abuses of the EU LTR status.

1.2. EU and Member States increase the visibility of the EU LTR status through information sharing, promotion, and advertisement activities. The Commission issues guidelines and awareness-raising tools addressed to Member States authorities, third-country nationals, and legal practitioners. In particular, training activities are organised for national immigration authorities both on the procedures for the acquisition of EU LTR status and for intra-EU mobility.

Option 2: targeted legislative revision of the Directive

This option envisages a targeted revision of the Directive, which would address the following thematic areas, corresponding to the specific objectives:

1. Acquisition of the EU LTR status
2. Intra-EU mobility rights
3. Rights of long-term residents and their family members

With regard to the **acquisition of the EU LTR status**, this option would introduce a '**level-playing field**' mechanism between the EU LTR permit and the national permanent residence permits, so that third-country nationals have a real choice between the two permits. In implementing this mechanism, Member States should ensure that:

2.1. integration and resources requirements for acquiring the EU status are not stricter than the requirements to acquire the national status;

2.2. applicants for EU LTR permits pay the same level of fees for the handling of their application as applicants for national permits;

2.3. holders of EU LTR status do not enjoy a lower level of procedural safeguards and rights than holders of national residence permits;

2.4. the EU LTR status benefits from the same level of information, promotion and advertising activities as the national residence permits, for example through ensuring adequate information on the national websites on legal migration, information campaigns and training programmes for the migration authorities;

2.5. holders of national permits who apply for an EU LTR permit have a facilitated procedure (i.e. not presenting evidence already checked for the national permit).

To **prevent the risk of fraudulent acquisition** of the EU LTR status, this option includes also a measure:

2.6. encouraging Member States to reinforce checks on the residence requirement with regard to application for EU LTR status on the basis of investor residence schemes.

With regard to **intra-EU mobility**, this option would facilitate the right of long-term residents to move and reside in other Member States, in particular by:

2.7. not allowing the second Member State to apply a LMT;

2.8. allowing long-term residents to start working or studying in a second Member State while their application is being assessed;

2.9. allowing long-term residents to submit the application while still residing in the first Member State;

2.10. shortening the deadline for processing the application (from four months to 90 days);

2.11. granting 'mobile' long-term residents equal treatment with Union citizens as regards the recognition of professional qualifications in the second Member State, in accordance with applicable EU and national law;

2.12. improving the rules on access to the labour market for the 'mobile' long-term residents and their family members;

2.13. shortening the time needed to acquire EU LTR status in the second Member State (three years instead of five years) for those third-country nationals who already have EU LTR status in the first Member State.

With regard to the **rights of the long-term residents and of their family members**, this option would improve them and address the identified consistency issues with other legal migration Directives, in particular by:

2.14. introducing derogations from the rules on family reunification of Directive 2003/86/EC to facilitate the family reunification for long-term residents;

2.15. automatically granting the EU LTR status to children of long-term residents born in the EU;

2.16. clarifying the access to housing, to include the right to buy immovable property;

2.17. aligning the definition of social security (and the export of pensions and family benefits) with the other legal migration Directives, and ensuring full equal treatment with regard to access to social assistance and social protection (beyond the concept of 'core benefits');

2.18. prolonging the allowed period of absence outside the EU from 12 to 24 months;

2.19. regulating in more detail the procedure to reacquire the EU LTR status following absence.

Option 3: wider legislative revision of the Directive (Option 2 + facilitation of conditions to acquire the EU LTR status)

This option would also address the three thematic areas as in options 2, including all **the measures of option 2**. In addition, with regard to the thematic area concerning the

acquisition of the EU LTR status, this option would include additional measures aimed at facilitating the **conditions to acquire the EU LTR status**, in particular by:

3.1. Always allowing periods of residence as students to be counted fully;

3.2 Opening the possibility for Member States to lower the required residence period to apply for the EU LTR status from five to three years, but with intra-EU mobility rights only granted after five years;

3.3. Opening the possibility for Member States to allow cumulating residence periods in different Member States (subject to a residence in the Member State of application of at least two years);

3.4. Opening the possibility for Member States to include in the scope of the Directive permits issued on temporary grounds;

3.5. Clarifying and limiting the discretion of Member States in applying the requirement of stable and regular resources, by codifying the CJEU case law;

3.6. Clarifying and limiting the discretion of Member States in applying integration conditions, by codifying the CJEU case law.

These measures would be a mix of obligations for Member States (measure 3.1), options (measures 3.2, 3.3, and 3.4), and clarifications of the current rules (measure 3.5 and 3.6). The added value of introducing new options, compared to the current Directive, is that in the current approach Member States are not allowed to facilitate the conditions set out in the Directive even if they wished, while with the proposed optional measures in Option 3, they would be able to facilitate those conditions.

Option 4: major legislative revision of the Directive, creating a single EU permanent residence status

This option would also address the three thematic areas as in options 2 and 3, by including the relevant measures concerning improved rights, and facilitated conditions to acquire the status, plus:

4.1. There would be a fully harmonised EU permanent residence status, as Member States would not be allowed to keep their national permanent residence schemes;

4.2. The required residence period to acquire the status would be lowered from five to three years;

4.3. The EU permanent residence status in one Member State would give an automatic right to move and reside in a second Member State, with conditions similar to the ones applicable to EU citizens exercising their free movement rights.

The table below gives an overview of the various elements in each option.

	Create a more coherent, efficient and fair system to acquire the EU LTR status	Facilitate intra-EU mobility of long-term residents	Improve the rights of long term-residents and their family
Option 1: Actions to improve the effectiveness of the Directive (non-legislative)	1.1. Enhancing implementation of the Directive and practical cooperation between Member States 1.2. Information sharing, promotion, Commission issues guidelines and awareness-raising tools, national authorities improve implementation		
Option 2: Targeted legislative revision	2.1. Equal integration and resources requirement 2.2. Equal application fees 2.3. Equal procedural safeguards and rights 2.4. Equal promotion and information 2.5. National permit holders should have a facilitated procedure for the EU LTR permit 2.6. Member States are encouraged to reinforce checks on residence requirements regarding investor residence schemes	2.7. No labour market test in the second Member State 2.8. TCNs may start working / studying in the second Member State while their application is being assessed 2.9. TCNs may submit the application while still residing in the first Member State 2.10. Shortened deadline to process applications (90 days) 2.11. Equal treatment as regards recognition of professional qualifications in the second Member State 2.12. Better access to the labour market for long-term residents and their family 2.13. Shortened time to acquire EU LTR status in the second Member State (3 years)	2.14. Facilitated family reunification rules 2.15. Automatic EU LTR status acquisition for children of long-term residents born in the EU 2.16. Clarified access to housing to include buying immovable property 2.17. Aligned definition of social security and full access to social assistance and protection 2.18. Allowed absences without losing the status from 12 to 24 months 2.19. Facilitated procedure to reacquire the status
Option 3: Wider legislative revision	3.1. Periods spent as students are fully counted 3.2. Possibility for Member States to lower the period of continuous and legal residence from 5 to 3 years 3.3. Possibility for Member States to cumulate periods of residence in different Member States 3.4. Possibility for Member States to include in the scope residence on temporary grounds 3.5. Clarifying and limiting Member States' discretion in applying the "stable and regular resources" requirement 3.6. Clarifying and limiting Member States' discretion in applying integration conditions		
Option 4: Major legislative revision	Measures 2.6, 3.1, 3.3, 3.4, 3.5, 3.6 + 4.1. Single EU permanent residence permit, no parallel national permits 4.2. Lowered required residence from 5 to 3 years	4.3. Automatic intra-EU mobility rights	

6. 6. WHAT ARE THE IMPACTS OF THE POLICY OPTIONS?

This section assesses the impact of the policy options (hereafter 'POs') described in the previous section against a series of assessment criteria covering specifically **effectiveness**, **efficiency** and **coherence**. The selected impacts are assessed qualitatively and, where possible, quantitatively based on a number of key assumptions (see Annex 4). No significant environmental impact is expected from the initiative and has thus not been assessed further, as the magnitude of intra-EU mobility and mobility related to circular migration is expected to be low. Any pollution resulting for example from the means of transportation used for their move to another Member State is expected to be negligible, especially when compared to other intra-EU travel (e.g. for the purpose of tourism, business and other short-term stays) that causes pollution.

The detailed and individual assessment of each policy measure is presented in Annex 5.

6.1. 6.1. PO 1 – Actions to improve the effectiveness of the Directive (non-legislative option)

6.1.1. 6.1.1. Effectiveness

The effectiveness of this PO would be limited, mainly due to the fact that its measures are not binding. Nevertheless, this PO would have a moderate positive impact on **creating a more coherent, efficient and fair system to acquire the EU LTR status**, as a result of a better implementation by the Member States of the current rules. For instance, providing training and issuing non-binding guidelines would improve the situation in those Member States without a dedicated information strategy on the EU status,[95] or information tools in place for applicants.[96] The Commission's compilations and sharing of best practice examples from Member States[97], and the increased enforcement measures, including infringement procedures, would also contribute to a better implementation of the current rules.

This PO would have no direct effect on **facilitating intra-EU mobility**, given that application conditions for mobility would remain unchanged, thought the improved information and enforcement activities may have a positive indirect effect.

This PO would also have a minor positive effect on the **improvement of rights of long-term residents and their family members**, as both them and national authorities would become better aware of these rights through improved implementation of the current rules.

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95 Eight MS have such strategy in place: BG, DE, HR, IE, IT, LU, PL, SE

96 14 MS have tools in place to promote the EU LTR status: BE, CY, CZ, DE, EL, ES, FI, HR, HU, IT, LU, MT, PT, SE, SI, SK.

97 For example, as highlighted by the expert panel of the supporting study, NL and LU have a well-developed and user-friendly website on the EU LTR status.

6.1.2. 6.1.2. Expected impacts

Social impacts and impacts on fundamental rights

Third-country nationals would become more aware of the rights and conditions of the EU LTR status, which would have a slightly positive impact, though not possible to quantify, on their integration and possibly also lead to cost savings for third-country nationals who would otherwise consult legal services and pay legal fees for support with their application. The increased information provision on the EU LTR status could lead to a higher demand for the EU LTR status compared to the national ones. This PO is unlikely to lead to a net increase in overall LTR applications for **national authorities**. This option would not have any specific impact on **EU citizens**.

This PO would provide more clarity on the functioning of the EU LTR status, and in particular its mobility options, to **businesses and employers** interested in hiring third-country nationals from other Member States, which could lead to a minor reduction in the administrative burden. In addition, a slight increase in the number of EU LTR permits issued could lead to a lightly larger pool of qualified third-country nationals already residing in the EU, which would potentially help employers fill labour gaps.

This PO would make a slightly positive contribution to the rights to family and professional life (Article 33 of the EU Charter of Fundamental Rights).

Economic impacts

Some Member States have already developed and invested in portals and other provision of information, and thus, this measure would mainly impact those Member States which currently do not provide sufficient and/or adequate information. Whilst the PO is expected to possibly lead to a minor increase in the number of EU LTR status holders, which may in turn increase intra-EU mobility, it is not possible to estimate the specific economic impacts of such developments, as they are likely to be negligible and influenced by many other factors.

6.1.3. 6.1.3. Efficiency

Administrative and compliance costs

This PO would entail one-off cost for the European Commission estimated in 49 000 euro, resulting from the issuing of guidelines, training material, and information to national authorities. Furthermore, it would lead to costs for national authorities, to provide training, updating websites, and exchange best practices, as well as for the identification of cases of abuse of the EU LTR status (recurring administrative costs amounting to EUR 204 500 per year on average).

Simplification

The PO is expected to lead to cost savings for third-country nationals resulting from better quality information on the EU LTR status. However, these savings cannot be

quantified as the measures included are not binding, and may be implemented in varying ways.

6.1.4. 6.1.4. Coherence with other EU policies

As it only aims to strengthen the implementation of the Directive, this PO is not fully coherent with the objective of the New Pact on Migration and Asylum to create a true EU long-term residence status, in particular by strengthening the right of long-term residents to move and work in other Member States.

6.1.5. 6.1.5. Overall assessment

The measure would have a limited positive effect on the creation of a more efficient system to acquire the EU LTR status and the other objectives of this initiative. However, as it is a non-binding measure, its impact would ultimately depend on the willingness of Member States' authorities to implement and roll-out the guidelines and training provided by the Commission.

6.2. 6.2. PO 2 Legislative option 1 – targeted revision of the Directive

6.2.1. 6.2.1. Effectiveness

Out of the 19 measures included in this PO, the majority would have positive impacts on achieving the policy objective of **creating a more coherent, efficient and fair system to acquire the EU LTR status**, in particular by introducing a **level-playing field** between EU and national permits[98]. This concerns not only the specific measures 2.1-2.5, but also the measures aimed at facilitating intra-EU mobility and improving rights, as all these measures would improve the attractiveness of the EU LTR status for third-country nationals. In particular, it is estimated that, 10 years after the implementation of the revised Directive, there would be an increase of 20% in the number of EU LTR permits, compared to the baseline, corresponding to approximately 640 000 additional EU LTR holders.

		2019	+ 10 years
Number of EU LTR permits	Baseline evolution	3 007 696	3 198 515
	PO2 (+20%)	3 007 696	3 838 218

With measure 2.6, Member States would be encouraged to reinforce checks on the residence requirement set out by Article 4 of the Directive for the acquisition of the EU LTR status and therefore, if implemented, this measure would have a positive impact on having a fairer system for the acquisition of the EU LTR status. This would have an impact in particular on the 14 Member States that do not require continuous physical

[98] The lack of information or awareness about the EU LTR permit and its benefits is seen by a majority of stakeholders as one of the main reasons of the under-use of the EU LTR status, see Annex 2. Only two Member State disagreed within the consultation with the Contact Group on Legal Migration (CZ, HU).

residence for granting investor residence permits, which could lead investors not actually residing in the EU and not really integrated to acquire the EU LTR status.

This PO would have positive impacts on achieving the objective of **facilitating intra-EU mobility**, through seven specific measures (2.7 – 2.13). In particular, not allowing the second Member State to apply a LMT would have a significant positive impact on the intra-EU mobility to those 16 Member States which apply such test[99].

Out of the 19 measures in this PO, more than half would have positive impacts on achieving the policy objective of **improving the rights of long-term residents and their family**. In particular, the specific measures 2.14-2.17 would ensure long-term residents a fairer treatment in many areas relevant for their integration, including access to housing, social assistance, and better family rights. A particular positive impact would derive from the measure of granting automatic EU LTR status to children of long-term residents born in the EU, as it would significantly increase legal certainty for a category of third-country nationals that at the moment is not covered by EU law[100].

Furthermore, allowing long-term residents to be absent up to 24 months without losing the status (measure 2.18) and regulating more in detail the procedure to reacquire the status in case of longer absences (measure 2.19) would strongly enhance the right to circular migration, with increased possibilities to study or work in their country of origin or outside the EU.

6.2.2. 6.2.2. Expected impacts

Social impacts and impacts on fundamental rights

All measures of this PO would have positive social impacts, on most target groups. In particular, there would be significant positive impacts for **third-country nationals**, who: would benefit from the measures introducing a level-playing field by having a real choice between the EU LTR permit and the national LTR permits; would benefit from better intra-EU mobility rights by having more chances to be recruited or accepted for studies in other Member States; would have better rights for them and their family members, to support their full integration in the society; would be able to exercise circular migration without losing their EU LTR status. Nevertheless, as the conditions to acquire the status would remain the same, the acquisition of the EU LTR status would still be difficult for a significant number of third-country nationals.

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[99] Members from three of the stakeholder groups consulted considered that labour market tests acted as a significant barrier or limitation to the intra-EU mobility of EU LTR permit holders and that these should not be conducted in the second MS. In particular, members of the Informal Expert Group on Economic Migration and Civil Society representatives highlighted that, in many cases, labour market tests can lead to delays in the processing of applications to work in a second MS which result in missed work opportunities or employers not considering the hiring of TCNs. However, members of the Legal Migration Contact Group had mixed views on this point, with some considering that labour market tests remain an essential tool for MS to manage the admission of TCNs so that it is in line with their labour market needs and capacities.

[100] The residence status of children born in the EU by third-country nationals is not covered by any EU legal instrument, including Directive 2003/86/EC on family reunification which only covers admission of children born and living outside the EU.

The measures aimed at improving the rights of long-term residents and their family would also have positive impacts on a number of **fundamental rights**, and in particular the right to property (Article 17 of the EU Charter of Fundamental Rights), non-discrimination (Article 21), family and professional life (Article 33), social security and social assistance (Article 34).

As the intra-EU mobility of long-term residents in this option would be facilitated (in particular through the abolition of the LMT), it may create some competition towards **EU citizens**. However, the most important safeguards to avoid pressure on labour conditions, wages and of displacement of EU workers are that the system remains demand-driven (long-term residents would still need a job offer to move to another Member State). Therefore, the potential displacement effect on EU workers is expected to be limited, first because of the proportionally low number of EU LTR holders expected to move over a 10-year period, and second because this number is still dwarfed by the number of vacancies. On the basis of available quarterly data from 2013Q1 until 2021Q2, there are on average approximately 1.75 million unfilled job vacancies every quarter, which is also similar to the annual level of unmet vacancies by EU companies.[101] Mobile EU LTR status holders are therefore very likely to first fill the existing labour shortages, if these offer better conditions. Due to a lack of data and the number of assumptions required, it has however not been possible to quantify any possible displacement effect.

A positive impact is also expected on **third countries,** as the measures facilitating circular migration would help counter the "brain drain" phenomenon allowing third-country nationals to move and stay longer in their country of origin, for instance for investment or business purposes. Furthermore, the measure enabling third-country nationals to re-acquire their EU LTR status would allow them to maintain a more stable economic situation and ultimately to maintain the level of remittances sent to their country of origin.

This PO would also have impacts on **legal practitioners and judiciary**, as the simplification introduced by many measures would mean for third-country nationals to require less support as they will make the law more clear, precise, and predictable, which will have the effect of increasing the "legal certainty" attached to the implementation of these rights. Nevertheless, an increasing workload for this group can be expected in particular from the measures facilitating intra-EU mobility. As a consequence of these measures, legal practitioners may be confronted with additional queries for clarification on the new procedures, at least in the first months/year of their introduction.

Finally, this PO would have important impacts on **businesses/employers**, in particular the **measures facilitating intra-EU mobility** In particular, removing the requirement to apply a labour market test for mobile long-term residents in 16 Member States would provide an incentive to employers to hire mobile third-country nationals, as they would

[101] Based on data on the quarterly and annual number of job vacancies published by Eurostat for a number of European countries. Aggregated data at the EU-27 level is not available due to a lack of harmonised data collection in Member States.

benefit from a larger pool of qualified and already legally residing third-country nationals.

Economic impacts

Out of the 19 measures included in this PO, five are expected to have a measurable economic impact, whilst the remaining measures, in particular those aimed at improving the use of the EU LTR status, improving the rights of long-term residents and their family members, and facilitating circular migration are also expected to have positive economic benefits, but these could not be quantified[102]. Those economic benefits would derive from that fact that more third-country nationals with an EU LTR status and the enhanced rights attached to it are expected to lead to improved integration, which in return could also lead to better wages, as well as benefits for employers in terms of access to more qualified workforce. Increased circular migration would be expected to result in increased investments in third countries.

The measurable economic impacts concern the **measures facilitating intra-EU mobility**, as these are all expected to result in an increase of third-country nationals moving to a second Member State, where it is assumed that they would on average increase their wages by 10%, which in turn would lead to higher tax revenue, increased productivity and consumption, and enhanced economic growth. In addition, also as a result of their higher wages, remittances are also assumed to increase as a proportion of their income[103].

Intra-EU mobility is expected to increase by 1.5 % points[104], thus from the baseline assumption of 2% to 3.5%, resulting in an increase of just over 70 000 additional mobile long-term residents at the end of a 10-year period, on top of the baseline scenario of around 64 000 mobile long-term residents.

	Mobile LTRs %	2019	+ 10 years
Baseline evolution	2%	60 148	63 970
PO2	3,5%	60 148	134 378

The total collective net economic effects of this increase are, over a 10-year period:

- An increase in tax revenue of EUR 8 million;
- Increased consumption by EUR 70.5 million;
- Remittances increased by EUR 12.6 million (leaving the EU economy and thus subtracted from the total economic benefits).

Adding up to a total economic benefit of EUR 66 million.

Whilst it is not possible to estimate the impact on economic growth (i.e. increase in GDP), it can be assumed that the increased intra-EU mobility of long-term residents

[102] See Annex 4 for further explanation on quantification of impacts.
[103] The key assumptions and calculation methods are detailed in Annex 4.
[104] *Ibid*.

would also contribute to a rise in GDP, in particular considering that this group can be assumed to mostly move for (better) work opportunities and integrate easily, as they have already spent a minimum of five years in the EU[105].

6.2.3. 6.2.3. Efficiency

Administrative compliance costs

Out of 19 measures in this PO, 14 are expected to trigger administrative and compliance costs for national authorities and the European Commission.

For the **European Commission,** the additional costs will primarily relate to introducing the legislative revisions to the Directive and communicating the changes.

For **national authorities**, costs include adapting national legislation and relevant procedures, guidance and training, as well as ensuring enforcement and compliance, monitoring and reporting costs to the EU. Other cost categories include preparing information on the changes to disseminate to EU LTR applicants, as well as costs related to a potential increase in application for EU LTR status. However, the extent of the impact of the measures within this PO is varied, and can be grouped in measures that impact almost all Member States, and measures that impact a limited number of them.

In particular, for the following measures additional costs are expected for all/most Member States, as they would need to adapt procedures, invest in additional staff and training, as well as providing information material for both staff and applicants:

- Measure 2.8 allowing third-country nationals to start working/studying in the second Member State while their application is being assessed would impact all Member States and brings additional costs to national authorities that would have to adapt their procedures.
- Measure 2.9 allowing third-country nationals to submit the application while still residing in the first MS would impact 15 MS, bringing additional costs to national authorities that would have to adapt their procedures.
- In the 20 Member States affected by measure 2.12 improving the rules on access to the labour market for long-term residents and their family, the changes would bring additional administrative costs to national authorities that would have to adapt their admission procedures.
- Measure 2.13 shortening the time needed to acquire EU LTR status in the second Member State would impact all Member States and bring some administrative compliance costs, such as through the updating of internal procedures (i.e. updating guidelines).
- Measure 2.14 introducing derogations from rules on family reunification would impact all Member States, resulting in some administrative and compliance costs for national authorities.

[105] Annex 3 provides a hypothetical example of such effect.

- Measure 2.19 regulating the procedure to reacquire the status would result in some compliance costs as 10 Member States would have to introduce a new procedure and 15 Member States would have to adapt their current procedure.
- Measure 2.6 would also result in compliance costs in setting up and running a monitoring mechanism on application for EU LTR status on the basis of investor residence schemes.

The following costs are estimated (totals of the average yearly cost of all measures included in the PO, rounded to the nearest 1,000):

European Commission:

- One-off administrative costs for implementing and communicating the change: 43 000 euro;

Member States:

- One-off administrative costs for transposition, alignment of procedures, guidance and training, monitoring and reporting: 568 000 euro;
- Recurring administrative costs for transposition, alignment of procedures, guidance and training, monitoring and reporting: 105 000 euro;
- One-off compliance costs to develop and implement new procedures, inform and advise those concerned, etc.: 392 000 euro;
- Recurrent compliance costs to develop and implement new procedures, inform and advise those concerned, etc.: 755 000 euro.

Simplification

Out of 19 measures in this PO, most (13) are expected to have some effects on simplification. Strong simplification effects are expected from the measures facilitating intra-EU mobility and improving the rights of long-term residents and their family. In particular, not allowing the second Member State to apply a labour market test would benefit 16 Member State in terms of administrative simplification, as they would no longer need to apply those tests; and allowing third-country nationals to start working/studying in the second Member State while their application is being assessed would reduce for them the costs induced by lengthy administrative procedures. Employers would also benefit from more efficient procedures for hiring 'mobile long-term residents' and reduced costs in the hiring process (e.g. situations of vacancies left unfilled or waiting for an administrative decision).

The following costs saving are estimated (per average yearly cost):

Member States:

- Recurring cost savings resulting from simplification of current procedures: 24 500 euro,

Third-country nationals:

- Recurring cost savings resulting from simplification: 1 145 000 euro

Employers:

- Recurring cost savings resulting from simplification: 112 700 euro

6.2.4. 6.2.4. Coherence with other EU policies

This PO is expected to contribute to greater coherence between the Long-term residents Directive and other legal migration Directives, and is in line with the New Pact on Migration and Asylum and the EU economic and social policies.

6.2.5. 6.2.5. Overall assessment

Overall, this PO would make a tangible contribution to most objectives and it would have a significant positive effect in terms of social impacts, particularly on third-country nationals and employers. It would lead to some minor administrative and compliance costs for national authorities, with a larger positive impact in terms of simplification. In addition, several measures included in this PO are expected to lead to more significant positive economic impacts. Lastly, most of the measures included under this PO were considered with favour by Member States, except for measure 2.7 - not allowing the second Member State to apply a labour market test, on which some Member States expressed their wish to keep full control over the arrival of third-country nationals in relation to the needs of their labour market.

6.3. 6.3. PO 3: Legislative option 2 – wider legislative revision

6.3.1. 6.3.1. Effectiveness

Compared to PO2, PO3 includes six additional measures (3.1 – 3.6) that specifically aim to **facilitate the conditions to acquire EU LTR status** and therefore would contribute further to the objective of having **a more efficient and fairer system to acquire the status**. In particular, this PO would facilitate the fulfilment of the **residence requirement**, which numerous consulted stakeholders[106] have noted as posing a significant barrier for the acquisition of the EU LTR status, by *requiring* Member States to count fully periods of residence as students, and by *allowing* Member States to lower the residence requirement from five to three years, to cumulate residence periods in different Member States, and to include in the scope of the Directive periods of residence spent solely on temporary grounds. Even though these latter would only be "may clauses" (and therefore not increase the level of harmonisation and the rights of third-country nationals in *all* Member States), they would still bring a positive impact on those Member States that would choose to implement them. The added value of introducing new options, compared to the current Directive, is that in the current approach Member States are not allowed to facilitate the conditions set out in the Directive even if they

[106] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021; Consultation with the Economic and Social Partners, 5 May 2021; Consultation with representatives of Civil Society, 20 April 2021; Fifth meeting of the Informal Expert Group on Economic Migration, 14 April 2021; Second meeting of the EU legal migration practitioners network, 29 April 2021; PICUM Priority recommendations for EU action on labour migration.

wished, while with the proposed optional measures in Option 3, they would be able to facilitate those conditions.

This PO could have a stronger impact than PO2 in particular in those Member States that offer more favourable conditions as part of their national schemes. For instance, in those four Member States[107] where the residence requirement for the national LTR schemes is less than five years, and in those 11 Member States[108] where five years is also the minimum residence requirement for citizenship, the option to issue the EU LTR status after three years, if adopted, would lead to an increase in the use of the EU LTR status.

It is estimated that, 10 years after the implementation of the revised Directive, there would be an increase of 25% in the number of EU LTR permits[109], corresponding to approximately additional 800 000 EU LTR holders compared to the baseline.

		2019	+ 10 years
Number of EU LTR permits	Baseline evolution	3 007 696	3 198 515
	PO3 (+25%)	3 007 696	3 998 144

Allowing the Member States to (optionally) lower the period to acquire EU LTR status from five to three years would have a positive impact also on the integration of third-country nationals (as they would obtain full equal treatment rights faster), in those Member States implementing the option[110]. At the same time, keeping the period of five years to acquire intra-EU mobility rights (also for those Member States choosing this option) would avoid fragmentation in the implementation of the Directive. Furthermore, the concepts of periods of residence spent solely on temporary grounds, regular and stable resources, and integration conditions would be clarified[111] so to limit the discretion of Member States and codify the case law of the CJEU[112]. This would help limit strict practices in certain Member States that pose significant barriers for EU LTR applicants[113].

[107] CY, FI, HU, SE - EMN (2016) Ad Hoc Query 2016.2013 on the period of validity of residence permits granted to third-country nationals.

[108] BE, BG, CY, CZ, FI, FR, LU, LV, NL, PT, SE - EMN (2019) EMN Synthesis Report, Pathways to citizenship for third-country nationals in the EU p. 18.

[109] The key assumptions and calculation methods are detailed in Annex 4.

[110] Assuming that only a number of Member States would implement this option, this would not amount to competition between different EU long-term residence statuses, as the number of years required to acquire EU LTR status is not expected to be a relevant factor on the third-country-nationals decisions to settle down in one specific country (as many other factors are more relevant, in particular economic and family related).

[111] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021Consultation with the Economic and Social Partners, 5 May 2021; Second meeting of the EU legal migration practitioners network, 29 April 2021; Consultation with the Legal Migration Contact Group, 18 May 2021; Thym D. (2016), Long-term Residents Directive 2003. Official Journal L 16. P 445

[112] Temporary permits C-502/10 (Singh); 'stable and sufficient resources' – C-578/08 (Chakroun); 'integration conditions' – C-579/13 (P&S).

[113] Consulted stakeholders noted that TCNs under temporary permits may find themselves in situations of labour exploitation, and thus facilitating access to the EU LTR status would help them to benefit from better rights (Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021;

This PO could also have an additional positive impact on **intra-EU mobility**, in those Member States that would allow cumulating residence periods in different Member States, as this would be an incentive for third-country nationals who have not yet acquired EU LTR status in the first Member State to move to other Member States with the perspective of acquiring sooner the status in the second Member State.

Finally, it is noteworthy that if measures 3.2 and 3.3 would be compulsory for Member States to implement, they would likely face considerable resistance[114], as many Member States are not in favour of an obligation to lower the required residence period to acquire the status. Nevertheless, this resistance would be avoided by introducing these measures as optional for Member States to implement, which is likely to prove more politically viable even though less effective.

6.3.2. 6.3.2. Expected impacts

Social impacts and impacts on fundamental rights

The additional measures of this PO could have additional positive social impacts on **third-country nationals** and their integration as, if implemented by the Member States, they would be able to fulfil easier the conditions to acquire the EU LTR status, and therefore an increased number of third-country nationals legally residing in the EU would benefit from its rights, contributing to more social cohesion, which benefits both third-country nationals and EU citizens. For the same reasons, this PO would also have an additional positive impact on the **fundamental rights** to family and professional life, as well on non-discrimination by limiting Member States' discretion on assessing the conditions to acquire the EU LTR status.

However, where Member States would opt for lowering the period to acquire EU LTR status from five to three years, this could, in certain cases[115], place third-country nationals in a better situation than Union citizens (and their third country family members) who are beneficiaries of the Free Movement Directive[116], as the latter acquire the status of permanent residents, and the rights connected to that status, after having resided legally in the host Member State for a continuous period of five years.

The positive impacts identified could be also slightly offset by the small additional number of third-country students who are expected to stay in the EU after their studies, and the rather larger share of temporary permit holders who would wish to remain in the EU, as this may contribute to some displacement of **EU workers**. However, the effect is

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Consultation with representatives of Civil Society, 20 April 2021; Consultation with the Economic and Social Partners, 5 May 2021; PICUM (2020), PICUM Priority recommendations for EU action on labour migration).

[114] As noted by all stakeholders during the consultation, see Annex 2.

[115] In particular with regard to access to social assistance, and protection from expulsion on economic grounds.

[116] Directive 2004/38/EC of the European Parliament and of the Council of 29 April 2004 on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States amending Regulation (EEC) No 1612/68 and repealing Directives 64/221/EEC, 68/360/EEC, 72/194/EEC, 73/148/EEC, 75/34/EEC, 75/35/EEC, 90/364/EEC, 90/365/EEC and 93/96/EEC, OJ L 158, 30.4.2004, p. 77–123 .

expected to be moderate as the number of additional students is low, and temporary permit holders are assumed to primarily be low or medium skilled, and potentially contributing to fill labour shortages[117].

Also **businesses/employers** would benefit from the additional measures, as more third-country nationals with a permanent status and full access to labour market would help filling vacancies and labour shortages. Finally, **third countries** may also benefit from an indirect impact, as a facilitated access to EU LTR status for more third-country nationals would result in more stable economic conditions for third-country nationals and higher remittances towards countries of origin.

Economic impacts

The additional measures of this PO aimed at facilitating the conditions to acquire the EU LTR status are expected to have positive economic impacts, which are however impossible to quantify. These impacts would mostly relate to improved integration of the affected groups of third-country nationals, which in return could also lead to better wages and higher tax revenues.

The main additional measurable economic impacts would derive from the expected (limited) higher number of intra-EU mobile long-term residents compared to PO2, due to the expected increase of EU LTR permits issued at the end of the 10 year period (25% increase in this PO compared to 20% increase in PO2).

	Mobile LTRs %	2019	+10 years
Baseline	2%	60 148	63 970
PO3	3,5%	60 148	139 935

The total collective economic effects of this increase are, over a 10-year period:

- An increase in tax revenue of 8.5 million euro;
- Increased consumption by 74.2 million euro;
- Remittances increased by 13.2 million euro (leaving the EU and thus deducted from the total economic impact on the EU economy).

Resulting in a total economic benefit to the EU of around 69.4 million euro.

Whilst it is not possible to estimate the impact on economic growth (i.e. increase in GDP), it can be assumed that the increased inflow of third-country nationals will also contribute to a rise in GDP, in particular considering that this cohort is keen to remain and work in the EU and thus likely to integrate relatively easily. Annex 4 provides a hypothetical example of such effect.

Finally, it is important to bear in mind that PO3 also includes the measures of PO2, and the economic effects of the two options should therefore be added up.

[117] On the limited effect on displacement of EU workers, in particular with the abolition of the LMT, see above the analysis on social impacts of PO2.

6.3.3. 6.3.3. Efficiency

Administrative and compliance costs

This PO would trigger limited administrative and compliance costs in addition to those already foreseen in PO2. These include costs for the European Commission to adapt the text of the directive, and costs for national authorities to transpose and implement it, to ensure compliance and enforcement, and to monitor and report.

The administrative and compliance costs of policy measures 3.2 and 3.3 would differ depending on whether Member States would opt to implement them.

Furthermore, costs would strongly depend on the degree to which a policy measure differs from the status quo. For instance, measure 3.2 does not propose any changes to administrative procedures, but rather a change in the timeline (three rather than five year residence requirement). Therefore, this would just require changes to information to disseminate to third-country nationals, as well as guidelines and training for national authorities in the initial phase. Measures 3.4, 3.5 and 3.6 also foresee minor costs, in that they do not propose large changes from the status quo. In fact, national competent authorities should to some extent already be familiar with the changes foreseen in those measures due to the relevant CJEU rulings.

Measures 3.3 is expected to pose the highest potential administrative and compliance costs, as currently the accumulation of residence periods in different Member States is not possible, and processing proof of residence in different Member States may require slightly more complex application processes.

The average yearly administrative and compliance costs per stakeholder category of this PO are, over a 10-year period (totals of the average yearly cost, rounded to the nearest 1,000):

European Commission:

– One-off administrative costs for implementing and communicating the change: 57 000 euro;

Member States:

– One-off administrative costs for transposition, alignment of procedures, guidance and training, monitoring and reporting: 781 000 euro;

– Recurring administrative costs for transposition, alignment of procedures, guidance and training, monitoring and reporting: 151 000 euro;

– One-off compliance costs to develop and implement new procedures, inform and advise those concerned, etc.: 452 000 euro;

– Recurrent compliance costs to develop and implement new procedures, inform and advise those concerned, etc.: 900 000 euro.

Simplification

This PO promises some further simplifications across stakeholder categories. Firstly, the main added simplification in addition to PO2 would contribute to creating a uniform understanding among **national authorities** of different significant terminology used for conditions to acquire EU LTR status. This PO would clarify the concept of residence on 'temporary grounds', 'stable and sufficient resources' and 'integration conditions'.

This PO would also bring some simplification for **third-country nationals**, by addressing complexities within the EU LTR application that acted as a barrier to acquire EU LTR status. As highlighted by stakeholders[118], these included diverse readings across Member States of which third-country nationals with temporary/formally limited permits are within/out of the scope of the Directive.

The following cost savings are estimated (per average yearly cost):

Member States:

- Recurring cost savings resulting from simplification of current procedures: 24 500 euro.

Third Country Nationals:

- Recurring cost saving resulting from simplification: 1 145 000 euro.

Employers:

- Recurring cost savings resulting from simplification: 112 700 euro.

6.3.4. 6.3.4. Coherence

By facilitating the conditions for a wider group of third-country nationals to acquire EU LTR status, this PO would also bring additional contribution to the objectives of the Commission's New Pact on Migration and Asylum to support migrants' integration into local communities and attract (and retain) talent to the EU.

6.3.5. 6.3.5. Overall assessment

Overall, this PO is likely to offer many positive impacts especially with regards to increasing the EU LTR status attractiveness in comparison with national LTR schemes, and most significantly towards facilitating the conditions for a wider group of third-country nationals to acquire the EU LTR status. This PO also presents proportionate administrative and compliance costs and potential simplification for national authorities and third-country nationals.

[118] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021; Fifth meeting of the Informal Expert Group on Economic Migration, 14 April 2021; Consultation with the Economic and Social Partners, 5 May 2021; Consultation with representatives of Civil Society, 20 April 2021; Second meeting of the EU legal migration practitioners network, 29 April 2021; PICUM Priority recommendations for EU action on labour migration

6.4. 6.4. PO 4: Legislative option 3 – major legislative revision, creating a single EU permanent residence status

6.4.1. 6.4.1. Effectiveness

This PO would by default **create a more coherent and efficient system to acquire the EU LTR status**, as it would make it the only EU permanent residence status by abolishing national LTR schemes. As a consequence, it is expected that, following the implementation of the revised Directive, all LTR permits issued in the EU-25 would be EU LTR permits.

		2019	+ 10 years
Number of EU LTR permits	Baseline evolution	3 007 696	3 198 515
	PO4	3 007 696	17 745 156

Furthermore, in all Member States, third-country nationals would be able to apply for the EU LTR status after three years of residence. This PO is also likely to have a significant impact on **facilitating intra-EU mobility**, as it would grant to long-term residents automatic intra-EU mobility rights resembling EU citizens' freedom of movement[119]. This PO is likely to have a minor negative effect on enabling circular migration. Indeed, studies found that drivers for migrants to return to their countries are unemployment in the destination country and economic opportunities in their country of origin.[120] Therefore, granting EU LTR holders automatic intra-EU mobility rights would give them the possibility to more swiftly capitalise on employment opportunities across the EU, thus diminishing their incentive to return to the country of origin for other opportunities.

This PO would have a positive effect on **improving the right of long-term residents**, though the abolition of the national long-term residence statuses would not result in a further improvement in the rights for *all* potential beneficiaries, as those categories of third-country nationals who benefit from the specific conditions of those national schemes (e.g. bilateral agreements based on shared history with third countries) would have a less facilitated access to permanent residence in the EU.

6.4.2. 6.4.2. Expected impacts

Social impacts and impacts on fundamental rights

The stakeholder group expected to benefit the most from this PO are **third-country nationals**. This PO would enable a higher number of third-country nationals to have access to EU LTR status and intra-EU mobility rights. This may also mean that with more employment opportunities, remittances are likely to increase, indirectly stimulating

[119] In certain situations, as it is explained in section 6.3.2 regarding the impact of option 3 on the rights of Union mobile citizens and their third country family members under the Free Movement Directive, the EU LTR status would grant more rights to third-country nationals than to Union mobile citizens (and their third-country family members).

[120] https://www.oecd-ilibrary.org/sites/9d3d05d2-en/index.html?itemId=/content/component/9d3d05d2-en

the third countries' economic growth. Nevertheless, the abolition of national schemes would also mean that some categories of third-country nationals who benefit from the specific conditions of those schemes (e.g. bilateral agreements based on shared history with third countries) would have a less facilitated access to permanent residence in the EU[121]. This PO would also have a positive contribution to fundamental rights of long-term residents.

Assuming that this PO would lead to an increase of intra-EU mobility, **employers and businesses** would benefit from a larger pool of third-country nationals with facilitated admission into their Member State. This would result in less delays to fill positions and complex bureaucratic procedures to hire an EU LTR holder in another Member State. Indirectly, this may also have an impact on rectifying labour mismatches by facilitating the filling of shortages and alleviating unemployment in certain Member States and thus contribute to economic growth. Nevertheless, as the mobility of long-term residents in this option would be largely similar to that of **EU citizens**, this would potentially add more competition towards **EU workers** compared to POs 2 and 3, which could lead to a moderate to significant displacement effect on EU workers. However, this number, spread over 10 years, is still substantially lower than the approximately 1.75 million unfilled job vacancies every quarter, which is also similar to the annual level of unmet vacancies by EU companies.[122] Mobile long-term residents are therefore still likely to rather contribute to filling existing labour shortages, resulting in a low displacement effect of EU workers. Due to a lack of data and the number of assumptions required, it has not been possible to quantify this effect.

As with PO 3, this option could, in certain cases, place third-country nationals in a better situation than Union citizens (and their third-country family members) who are beneficiaries of the Free Movement Directive, as the latter acquire the status of permanent residents, and the rights connected to that status, after having resided legally in the host Member State for a continuous period of five years.

Economic impacts

This PO would entail improved integration of the affected groups of third-country nationals, which in return could also lead to better wages. Measure 4.3, in particular, is anticipated to result in an increase of third-country nationals moving to a second Member State, where it is assumed that they would on average increase their wages by 10%, which in turn would lead to higher tax revenue, increased productivity and consumption, and enhanced economic growth. In addition, also as a result of their higher wages, remittances are also assumed to increase as a proportion of their income.

[121] EMN (2016) Ad-hoc query on COM AHQ on National Residents Permits of Permanent or Unlimited Validity.

[122] Job vacancy number by NACE Rev. 2 activity - quarterly data (from 2001 onwards) Eurostat [jvs_q_nace2].

With measure 4.3, long-term residents are expected to have the same intra-EU mobility rights than EU citizens, and therefore it is assumed that their intra-mobility would increase from the baseline assumption of 2% to 4%, resulting in a net increase of around 645 000 additional mobile long-term residents at the end of a 10-year period.

	Mobile LTRs %	2019	Year 10
Baseline	2%	60 148	63 970
PO4	4%	60 148	709 806

The total collective economic effects of this increase are, over a 10-year period:

- An increase in tax revenue of 70 million euro;
- Increased consumption by 615 million euro;
- Remittances increased by 110 million euro (leaving the EU and thus subtracted from the total economic benefit);

Resulting in a total economic benefit to the EU of 575 million euro.

Whilst it is not possible to estimate the impact on economic growth (i.e. increase in GDP), it can be assumed that an increased intra-EU mobility of third-country nationals will also contribute to a rise in GDP, in particular considering that this cohort of EU LTR status holders can be assumed to mostly move for (better) work opportunities and integrate easily, as they have already spent a minimum of five years in the EU. Annex 4 provides a hypothetical example of such effect.

6.4.3. 6.4.3. Efficiency

Administrative and compliance costs

The additional measures within this PO pose administrative and compliance costs, in addition to those in PO2 and PO3.

The largest costs foreseen are for national authorities to revise their administrative procedures and ensure the transition of national statuses to EU LTR statuses. The measures within this PO propose many substantial changes from the status quo, and thus would require considerable training and revisions to guidelines. In addition, harmonising administrative procedures for the automatic intra-EU mobility for EU LTR holders would have an impact on several national competent authorities (processing legal migration permits, border management, etc.) and their cooperation with one another.

The average yearly administrative and compliance costs per stakeholder category of this PO are (totals of the average yearly cost of all measures included in the Policy Option, rounded to the nearest 1 000):

European Commission:

- One-off administrative costs for implementing and communicating the change: 68 000 euro;

Member States:

- One-off administrative costs for transposition, alignment of procedures, guidance and training, monitoring and reporting: 928 000 euro;
- Recurring administrative costs for transposition, alignment of procedures, guidance and training, monitoring and reporting: 151 000 euro;
- One-off compliance costs to develop and implement new procedures, inform and advise those concerned, etc.: 401 000 euro;
- Recurrent compliance costs to develop and implement new procedures, inform and advise those concerned, etc.: 1 133 000 euros.

Simplification

This PO is expected to bring simplification for national competent authorities processing LTR applications (in both the first and second Member State), as well as for third-country nationals and EU LTR holders, by ensuring there is one single process to apply for EU LTR status and eliminating the pre-conditions for intra-EU mobility by making it automatic. This would significantly reduce the administrative burden on national authorities and employers. The following cost savings are estimated (per average yearly cost):

Member States:

- Recurring cost savings resulting from simplification of current procedures: 24 500 euro.

Third-country Nationals:

- Recurring cost saving resulting from simplification: 1 145 000 euro.

Employers:

- Recurring cost savings resulting from simplification: 112 700 euro.

6.4.4. 6.4.4. Coherence

Overall, this PO is in line with the New Pact on Migration and Asylum. Nonetheless, the measure granting automatic intra-EU mobility would not be coherent with the other legal migration Directives, as Member States would need to allow residence on the basis of residence permits issued by other Member States.

6.4.5. 6.4.5. Overall Assessment

Overall, this PO is expected to have significant positive impacts for third-country nationals and for stimulating intra-EU mobility, as well as ensuring equal treatment of third-country nationals applying for EU LTR status with EU citizens. It foresees potential positive economic impacts due to increased mobility resulting in less labour shortages and improving skills matching. While this PO would be welcomed by the European

Parliament[123], it would likely face major resistance from national authorities, as well as challenges of coherence with other EU legislation and policies, which would seriously hamper its practical and political feasibility. In particular, **the abolition of parallel national schemes proved to be politically controversial in the negotiations on the revision of the EU Blue Card Directive[124], which ended in the final text opting rather for establishing a level-playing field**.[125] In addition, the measure granting free movement rights to long-term residents would face significant resistance as it would limit Member States' control on the number of mobile third-country nationals. This anticipated resistance from the Member States' side was shared by many stakeholders during the consultations.[126]

[123] In particular, the measures concerning the reduction of the residence period to 3 years, and granting free movement rights for long-term residents are explicitly requested by a draft legislative Report of the European Parliament (2020/2255(INL).

[124] COM(2016) 378 final

[125] Directive (EU) 2021/1883 of the European Parliament and of the Council of 20 October 2021 on the conditions of entry and residence of third-country nationals for the purpose of highly qualified employment, and repealing Council Directive 2009/50/EC

[126] Consultation with experts from the Legal Practitioners Network, and Contact Group on legal migration.

7. 7. HOW DO THE OPTIONS COMPARE?

The table below provides an overview of the ratings of the impacts of each Policy Options, on a score from -3 to +3 (-3 indicating the most negative impact, +3 indicating the most positive impact). It should be noted that, while these ratings allow for a comparison between options, the various ratings for a particular option cannot be cumulated since there is no objective basis to weigh one assessment criterion over another.

	Baseline	Non-legislative option	Legislative options		
		PO1	PO2	PO3	PO4
Effectiveness					
Effectiveness in achieving the objectives					
Specific objective 1: create a more coherent, efficient and fair system to acquire the EU LTR status	**0**	**1**	**2**	**2,5**	**3**
Specific objective 2: facilitate intra-EU mobility of long-term residents	**0**	**0.5**	**2**	**2**	**3**
Specific objective 3: improve the rights of long-term residents and their family	**0**	**1**	**2**	**2**	**2**
Social impacts					
	0	**1**	**2**	**3**	**2**
Environmental impacts					
	0	**0**	**0**	**0**	**0**
Fundamental rights					
	0	**0,5**	**1,5**	**2**	**2**
Coherence					
Coherence with the Migration Pact and other legal migration Directives	**0**	**0,5**	**2**	**3**	**1**
Efficiency					
Costs					
Administrative and compliance costs	**0**	**-0,5**	**-0,5**	**-1**	**-3**
Simplification	**0**	**0**	**1,5**	**2**	**3**
Economic impacts					
Impacts on labour market, economic growth, productivity and consumption	**0**	**0,5**	**1,5**	**2**	**2,5**

The **effectiveness** of the POs was assessed against the three specific policy objectives of the initiative.

In terms of effectiveness in achieving the **objective of creating a more coherent, efficient and fair system to acquire the EU LTR status**, the highest scoring POs are **PO3** and **PO4**, followed by PO2. PO1 would be effective mainly in improving the

knowledge and awareness of the Directive for both national authorities and potential EU LTR applicants. The increase in visibility and availability of information regarding the EU LTR status as well as the enhanced correct implementation of the Directive foreseen in PO1 would have the effect of clarifying the process of acquiring the EU LTR status but the conditions and requirements for acquiring the status would remain unchanged, and its outcome in terms of improving the actual EU LTR system would be highly dependent on the willingness of Member States to follow the guidelines and de facto change administrative practices. PO2 and PO3 would create a more efficient system by introducing the level-playing field mechanism, with PO3 bringing more substantial facilitations regarding the conditions to acquire the EU LTR status. Finally, PO4 is by default expected to considerably contribute to this objective; however, not allowing Member States to maintain their parallel national schemes is likely to encounter significant resistance, which puts into question a possibility of finding a political agreement on PO4 (*see below the analysis on political feasibility*). Furthermore, the positive effect of lowering the required residence period from five to three years in all Member States would be counter-balanced by the negative effect of abolishing the more favourable national statuses.

As regard the effectiveness in achieving the **objective of facilitating intra-EU mobility**, the highest scoring PO is **PO4**, followed by PO3 and PO2. PO1 would have a very limited effect on this objective besides the expected increase in terms of awareness concerning the intra-EU mobility advantages offered by the EU LTR status. PO2 and PO3 would bring a similar level of facilitations on intra-EU mobility, while PO4 scored higher as it would provide quasi-free movement rights to long-term residents, even if its political feasibility is significantly lower.

Regarding the effectiveness in achieving the **objective of improving the rights of LTRs and their family members**, all legislative options (PO2, PO3 and PO4) have the same scoring as they include the same measures on improving rights. PO1 would only have a minor effect on this objective as it would only better inform potential EU LTR applicants of the rights and benefits attached to the EU LTR status.

The table below provides an overview of the individual policy measures in terms of effectiveness in achieving the objectives, using a qualitative assessment ranging from 'no effect', where the policy measure is not expected to have an impact on the achievement of an objective, to 'very effective', where a strong contribution towards the achievement of an objective is expected. It is also mentioned where the policy measure has only an 'indirect' effect on the objective.

	Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	Objective 2: Facilitate the intra-EU mobility	Objective 3: Improve the rights of long term-residents and their family
Policy Option 1: Non-legislative option			

1.1 Enhancing implementation of the Directive and practical cooperation between MS	Moderately effective	Moderately effective	Moderately effective
1.2 increase the visibility of the EU LTR status through information sharing, promotion, and advertisement activities	Moderately effective	Moderately effective	Moderately effective
Policy Option 2: Targeted legislative revision			
Policy Measures relating to introducing a level-playing field			
2.1 Integration and resources requirements not stricter than the requirements to acquire the national status	Very effective	Moderately effective (indirect)	Effective
2.2 Same level of fees for the handling of EU LTR applications and national permits	Effective	Moderately effective (indirect)	No effect
2.3 No lower level of procedural safeguards and rights than holders of national residence permits	Effective	No effect	Effective
2.4 Same level of information, promotion and advertising activities as the national residence permits	Effective	Moderately effective (indirect)	Moderately effective
2.5 Facilitated procedure for holders of national permits	Very effective	Moderately effective (indirect)	Effective
2.6 Encouraging Member States to reinforce checks on the residence requirement with regard to investor residence schemes	Moderately effective	No effect	No effect
Policy Measures relating to the facilitation of intra-EU mobility			
2.7 Not allowing the second Member State to apply a labour market test	No effect	Very effective	Effective
2.8 Allowing the LTRs to start working or studying in a second Member State while their application is being assessed	No effect	Very effective	Effective
2.9 Allowing long-term residents to submit the application while still residing in the first Member State	No effect	Effective	Effective
2.10 Shortening the deadline for processing the application (from four months to 90 days)	No effect	Effective	No effect
2.11 Granting ‘mobile’ LTRs equal treatment with Union citizens as regards the recognition of professional qualifications in the second MS	No effect	Very effective	Effective

2.12 Improving rules on access to the labour market for the 'mobile' LTRs and their family members	No effect	Very effective	Effective
2.13 Shortening the time needed to acquire EU LTR status in the second MS (three years instead of five years)	Very effective	Very effective	Very effective
Policy Measures relating to improving the rights of third-country nationals and their family			
2.14 Derogations from the rules on family reunification of Directive 2003/86/EC to facilitate the family reunification for LTRs	Effective (indirect)	Effective (indirect)	Very effective
2.15 Automatically granting the EU LTR status to children of long-term residents born in the EU	Very effective	Effective (indirect)	Very effective
2.16 Clarifying the access to housing, to include the right to buy immovable property	No effect	No effect	Moderately effective
2.17 Aligning the definition of social security with the other legal migration Directives, and ensuring full equal treatment with regard to access to social assistance and social protection	No effect	No effect	Very effective
2.18 Prolonging the allowed period of absence outside the EU from 12 to 24 months	Effective	No effect	Very effective
2.19 Regulating in more detail the procedure to reacquire the EU LTR status following absence	Effective	No effect	Effective
Policy Option 3: Wider legislative revision			
Policy Measures relating to facilitating the conditions to acquire the LTR status			
3.1 Allowing periods spent as students to be counted fully	Very effective	Effective (indirect)	No effect
3.2 Opening the possibility for MS to lower the required residence period to apply for the EU LTR status from five to three years	Very effective (if implemented)	Effective (indirect)	No effect
3.3 Opening the possibility for MS to allow cumulating residence periods in different MS	Very effective (if implemented)	Effective (indirect)	No effect
3.4 Opening the possibility for Member States to include in the Directive permits issued on temporary grounds	Effective (if implemented)	Moderately effective (indirect)	No effect

3.5 Clarifying and limiting the discretion of MS in applying the requirement of stable and regular resources	Effective	Effective	No effect
3.6 Clarifying and limiting discretion of Member States in applying integration conditions	Effective	Effective	No effect
Policy Option 3: Major legislative revision			
4.1 Create a fully harmonised EU permanent residence status, by not allowing Member States to keep their national permanent residence schemes	Very effective	Very effective	Very effective
4.2 Lower the required residence period to acquire the EU LTR status from five to three years	Very effective	Effective (indirect)	No effect
4.3 Introduce an automatic right to move and reside in a second MS for EU long-term residents, with conditions similar to the ones applicable to EU citizens exercising free movement rights	No effect	Very effective	Very effective

As regards the **social impacts** of the POs, different categories of stakeholders were considered in their assessment, namely third-country nationals, EU citizens including EU workers, national authorities, legal practitioners and the judiciary, businesses and employers and third countries. The scoring includes the social impacts of each PO regarding all categories of stakeholders. By including all the improvements foreseen in PO2 in addition to its own policy measures, **PO3 appears to be the most favourable in terms of social impacts**. Positive social impacts on all categories of stakeholders except for EU workers have been identified also regarding PO1, though the soft nature of its measures and their dependence on the willingness of the Member States to implement them reduce considerably their potential social impacts compared to PO2 and PO3. While PO4 would have significant positive social impacts on third-country nationals by removing national LTR schemes and granting intra-EU mobility rights similar to those enjoyed by EU citizens, potentially also simplifying the work of legal practitioners and the hiring process for businesses and employer, it could lead to a more significant displacement of EU workers compared to the other Policy Options.

None of the POs are expected to have significant **environmental impacts**.

All legislative options would have a positive **impact on fundamental rights**, in line with the EU Charter, and in particular, the right to family and professional life (Art. 33), non-discrimination (Art.21), and the rights to have access to social security and social assistance (Art. 34). Building on the positive impacts foreseen under PO2, the most

favourable POs in terms of strengthening fundamental rights are PO3 and PO4, the most far-reaching in terms of limiting discretional margins and potential discriminations.

As regards **economic impacts**, at differing degrees all policy options offer a positive impact. In particular, PO2 would increase intra-EU mobility and improve the integration of long-term residents with the related estimated positive effects on tax revenue, productivity, consumption and economic growth, whilst PO3 would add to this the positive effects caused by an increased share of third-country students and third-country nationals with temporary permits remaining in the EU. Finally, the additional economic impacts of PO4 are granted by the estimated increase in intra-EU mobility of long-term residents.

As regards the **coherence**, PO3 and PO2 would bring a substantial contribution to the Pact's goal to attract and retain international skills and talent to the EU, through measures that facilitate the conditions to acquire EU LTR status and facilitate intra-EU mobility. Moreover, PO3 and PO2 would also contribute to closer coherence with other legal migration directives. The most critical challenge to coherence with other legal migration directives is posed by PO4, as Member States would need to allow residence on the basis of a residence permit issued by another Member State.

In terms of **administrative and compliance costs**, the majority of policy options would have a minor negative contribution. Indeed, the changes foreseen across PO1, PO2 and PO3 would primarily consist in minor changes to administrative processes, guidelines and training of staff, as well as national legislative revision for PO2 and PO3. **PO4 promises the highest administrative and compliance costs** in that it proposes the largest legislative and administrative changes from the status quo (baseline). For instance, in addition to large revisions of internal administrative procedures and legislation, PO4 would also result in national authorities having to ensure all national LTR holders become EU LTR holders. This may involve complex assessments due to the differing conditions to acquire the national LTR status in comparison the EU LTR in some Member States.

Nevertheless, PO2, PO3 and PO4 also offer significant **simplification** for Member States' authorities, third-country nationals and employers/businesses, which for PO2 and PO3 to some extent counterbalances the negative impact brought by administrative and compliance costs.

With regard to principles of **subsidiarity** and **proportionality**, the proposed measures in the legislative options PO2 and PO3 would be limited to those aspects that Member States cannot achieve satisfactorily on their own, and the administrative burden on stakeholders would not be disproportionate vis-à-vis the objectives to be achieved, also because those measures would only update or complement the already existing procedures. In particular, the required adaptations in the administrative procedures by Member States are considered proportionate in view of the envisaged improvements in the situation of third-country nationals, more opportunities for employers, and simplification for national administrations. PO4 would, however, raise some issues in terms of proportionality, as in particular the abolition of national schemes and the

granting of free movement rights would require more substantial changes on which there is not sufficient evidence they would be justified to reach the objectives of the initiatives.

With regard to the **political feasibility**, the fact that PO1 would not require legislative amendments would be met with favour by those Member States not wanting further legislation on legal migration[127], but would contradict the call of the European Parliament to improve the Directive. PO2, PO3 and PO4 would all require legislative amendments and would differ on political feasibility, depending on the foreseen changes. On the basis of the views expressed by Member States[128] on this initiative, it seems that it would be easier under PO2 to get a political agreement as this requires a targeted revision and does not change the conditions to acquire the EU LTR status. It can be expected that the European Parliament would support all elements of this option, while at the same time requesting for more ambition. On the other hand, the measures under PO3 that would facilitate the acquisition of the status, and in particular the obligation to take fully into account student years and the limitation to the national discretion on the resources and integration conditions may not be supported by a number of Member States but is likely to be supported by the European Parliament.

Finally, the measures under PO4 to abolish the national permanent schemes and grant quasi-free movement rights to long-term residents would be supported by the European Parliament but likely face strong resistance from a large majority of Member States. In particular, according to the views expressed by Member States, the removal of parallel national LTR schemes would deprive them from the possibility to have national permits adapted to national specificities (e.g. bilateral agreements based on shared history with third countries) while the freedom of movement would significantly limit national control over admission of third-country nationals to their territory. This resistance was recently made evident during the negotiation on the revision of the EU Blue Card Directive, where a majority of Member States strongly opposed the abolition of parallel national schemes and a substantial simplification of intra-EU mobility, leading to a stagnation of three years in the negotiation of that Directive. A political compromise within the Council could only be achieved by retaining both the national schemes and a number of safeguards on intra-EU mobility of EU Blue Card holders[129]. As the Member States showed opposition with regard to rules concerning a very specific (and limited in number) category of third-country nationals (the highly skilled), it is expected that they would be even more strongly opposed with regard to similar rules concerning a much more numerous and heterogeneous category such as the long-term residents.

[127] See Annex 2

[128] Meetings of Working Party on Integration, Migration and Expulsion, 1 March 2021, and Contact Group on Legal Migration, 18 May.

[129] Directive (EU) 2021/1883 of the European Parliament and of the Council of 20 October 2021 on the conditions of entry and residence of third-country nationals for the purpose of highly qualified employment, and repealing Council Directive 2009/50/EC.

8. 8. PREFERRED OPTION

On the basis of the analysis in the above section, the **preferred option is PO3 – wider legislative revision of the Directive**.

PO2 contains a large set of policy measures which would address most of the shortcomings identified within the Directive, compared to PO1, which focuses only on the lack of awareness and information, having therefore a very limited impact on all objectives. However, PO2 makes a relatively smaller contribution to the objective of creating a more coherent, efficient and fair system to acquire the EU LTR status, as it does not include changes to the conditions to acquire the status. PO3 as the preferred option would compensate for this gap, as it would include all measures under PO2, in addition to six measures which are expected to make a positive contribution to facilitating the conditions for acquisition of the EU LTR status.

With specific regard to the measure lowering the period to acquire the EU LTR status from five to three years, including it as an obligation (as in PO4) would facilitate the acquisition of the status in *all* Member States, while it is not possible to assess in advance how many Member States would implement this measure if it were optional (as in PO3). Based on the assessment and on the views of the consulted stakeholders, the arguments in favour of either approach are equally strong. If implemented by all Member States, this measure would allow a significant number of third-country nationals who can prove their integration in the host society already after three years to benefit quicker from all the rights attached to the EU LTR status, which is an outcome that would be welcomed by the European Parliament and different stakeholders (in particular civil society representatives and legal practitioners). At the same time, as the integration process for third-country nationals depends on many factors which are different across Member States, if this measure were optional it would allow Member States to better take into consideration these specific factors, and therefore it is expected that the optional approach would be more welcomed by them. Based on these different but equally valid arguments, it remains an open consideration whether this measure should be included in the preferred option as an obligation or as an option.

Furthermore, and taking into account the recent negotiations on the EU Blue Card Directive, the preferred option does not aim at a 'full harmonisation' as PO4, nor it considers the discontinuation of national long-term residence permits as a crucial factor for the successful revision of the Directive. The preferred option manly aims at ensuring that all third-country nationals who have put down roots in the EU have a fair and equal access to the EU status and the rights attached to it, including the right to move more freely within the EU.

Overall, the preferred PO is expected to make an additional positive contribution to all objectives while respecting the principle of proportionality, and to have very positive social and economic impacts. The economic impacts are based on the assumptions that, first, more third-country nationals would have access to the EU LTR status with its attached rights, and, second, an increased share of third-country nationals would be moving to a second Member State. This in turn would lead to higher tax revenue,

increased productivity and consumption, and enhanced economic growth. In addition, as a result of likely higher wages, remittances are also assumed to increase as a proportion of long-term residents' income.

Furthermore, the preferred policy option would result in additional alignment between the Directive and the New Pact on Migration and Asylum, bringing also additional coherence with the case law of the CJEU.

8.1. 8.1. REFIT (simplification and improved efficiency)

REFIT Cost Savings – Preferred Option		
Description	***Amount (average yearly saving)***	***Comments***
Cost savings from simplification of the LTRD procedures currently in place	24 500 euro	Member State national authorities
Cost savings from lower EU LTR fees, shorter procedures, the provision of better quality information on the EU LTR status resulting in a reduction in fees paid for legal support	1 145 000 euro	Third-country nationals
Cost savings from a reduction in administrative fees and shorter procedures	113 000 euro	Employers

(1) amounts presented are the average value of all average annual cost savings across measures included within the preferred option

8.2. 8.2. One-to-one approach

This section describes the expected impacts of the preferred option on EU businesses and citizens.

- ***Impacts on EU businesses***

EU businesses are expected to benefit from the preferred option and specifically from the measures facilitating intra-EU mobility of long-term residents. In particular, not allowing the second Member State to apply a labour market test would grant employers reduced costs and streamlined administrative procedures in the hiring process of long-term residents from another Member State. The simplified and shorter procedures (allowing the long-term residents to start working at the latest 30 days after submitting their application) could lead to more efficiency to the functioning of the Single market in terms of better job matching and decreased vacancy rate, as well as potential increases in productivity. Also, the simplified procedures for intra-EU labour mobility are expected to benefit SMEs as they are likely to suffer disproportionately from administrative burden when hiring third-country nationals in comparison to large enterprises due to more limited resources and expertise (e.g. legal fees, understanding of immigration law and process, etc.).

The preferred option is not expected to entail any costs or disadvantages for EU businesses vis-à-vis the status quo. Recurring cost savings resulting from simplification are estimated in 112 700 euro.

- ***Impact on EU citizens***

As the intra-EU mobility of long-term residents in the preferred option would be facilitated (in particular through the abolition of the labour market test in the second Member State), it may create some competition towards EU citizens. However, the most important safeguards to avoid pressure on labour conditions, wages and of displacement of EU workers are that the system remains demand-driven (long-term residents in one Member State would still need a job offer to move to another Member State). Therefore, the potential displacement effect on EU workers is expected to be limited, first because of the proportionally low number of EU LTR holders expected to move over a 10-year period, and second because this number is still dwarfed by the number of unfilled vacancies (see above section 6.2.2). Due to a lack of data and the complexity of assumptions required, it has however not been possible to quantify any possible displacement effect. Furthermore, lowering the period to acquire EU LTR status from five to three years, could, in certain cases[130], place third-country nationals in a better situation than Union citizens (and their third-country family members) who are beneficiaries of the Free Movement Directive, as the latter acquire the status of permanent residents, and the rights connected to that status, after having resided legally in the host Member State for a continuous period of five years.

9. 9. HOW WILL ACTUAL IMPACTS BE MONITORED AND EVALUATED?

As described throughout the report, the main data sources used to inform the analysis in this impact assessment are European statistics, surveys, research, and consultation with stakeholder groups. The monitoring and evaluation of the revised Directive will need to continue relying on those sources but also explore additional sources, in particular reporting systems at Member State level. The monitoring and evaluation will need to be assured at all stages of the policy cycle (including implementation, application and evaluation), assessing progress and achievements against the following operational objectives:

- To increase awareness of the EU LTR status
- To adapt the conditions to acquire EU long-term residence
- To remove barriers to intra-EU mobility (recognition of qualifications, labour market test)
- To make sure that Member States adopt a facilitated admission procedure for mobile long-term residents

[130] In particular with regard to access to social assistance, and protection from expulsion on economic grounds.

- To clarify and strengthen equal treatment rights under the LTR status
- To facilitate circular migration
- To monitor residence requirements for investor residence schemes

At **implementation stage**, as for all other recasts and directives, the Commission is expected to organise contact committee meetings with the EU-25 Member States to discuss and clarify any issues that may arise during the transposition phase.

In addition, the Commission will launch a conformity assessment, once the deadline for implementation has passed, to verify that the recast has been transposed correctly into national laws in all EU-25. Following that, the Commission will present a report evaluating the implementation, functioning and impact of the directive approximately two or three years after the transposition deadline, and every three or four years thereafter. These reports will thus also play a key role in the application stage.

During the **application stage**, the practical implementation and functioning of the recast Directive will be monitored against the operational objectives as listed above, using a series of relevant and measurable outcomes. It will be important to ensure that the indicators can be measured through methods and sources which are easily available and credible. Official European and national statistics published by Eurostat and competent national statistical authorities should be used as much as possible, to monitor the number of EU LTR permits issued (also vis-a-vis national LTR permits) and, where possible, to monitor the number of third-country nationals engaging in intra-EU mobility and in circular migration. Data on the latter two are currently not collected at EU level, but may be recorded by some Member States at national level. In addition, it would be important to make use of existing EU agencies and networks, such as the FRA and the EMN.

To obtain stakeholder views, the Commission could consider launching a Special Barometer or a Public Consultation to obtain both quantitative and qualitative inputs. The Commission will also continue making use of the existing expert groups that contributed to the impact assessment.

The table below provides more detailed suggestions for indicators and for methods of data collection. The timeframe for the monitoring indicators is the first implementation report of the recast Directive.

Main operational objectives	**Monitoring indicators**	**Data sources and tools**
To increase awareness and improve the use of the EU LTR status	Number of EU LTR permits granted in EU; TCN awareness level on EU LTR status; Other stakeholder awareness level on EU LTR status.	European statistics; Surveys and research (e.g. public consultation, EMN, Eurobarometer); Consultation with stakeholder groups.
To remove barriers to intra-EU mobility (recognition of qualifications, labour market test)	Number of mobile TCNs residing in the EU; TCN awareness level on intra-EU mobility rights; Other stakeholder awareness level on intra-EU mobility	Evaluations of practical application of the Directive; European and national statistics; Surveys and research; Consultation with stakeholder

	rights.	groups.
To clarify and strengthen equal treatment rights under the EU LTR status	Integration success rate of EU long-term residents; TCN awareness level on LTR rights; Other stakeholder awareness level on LTR rights.	Evaluations of practical application of the Directive; Surveys and research (e.g. public consultation, EMN, Eurobarometer); Consultation with stakeholder groups.

ANNEX 1: PROCEDURAL INFORMATION

Lead DG, DECIDE Planning/CWP references

DG Migration and Home Affairs (DG HOME) is the lead DG. The agenda planning reference is PLAN/2021/11127.

Organisation and timing

The Communication for the New Pact on Migration and Asylum of 23 September 2020[131] announced, among various initiatives, a revision of the Long-term residents Directive, in order to create a true EU long-term residence status and to address the shortcomings identified under the Fitness Check on Legal Migration and its implementation report.

Additionally, the 2021 Commission Work Programme announced on 19 October 2020 that the revision of the Long-term residents Directive is part of the number of measures to be proposed on legal migration[132]. The proposal is included in the Commission Work Programme (Annex II), under the Commission priority "Promoting our European Way of Life".[133]

The Inception Impact Assessment report was published on 1 December 2020.

The Inter-service Steering Group was set up by the Secretariat-General to assist in the preparation of the initiative. The representatives of the following Directorates General participated in the ISG work: BUDG, EAC, ECHO, EMPL, ESTAT, GROW, INTPA, DIGIT, EEAS, RTD, HR, JRC, NEAR, MOVE, AGRI, JUST, TAXUD, Legal Service.

The ISG met three times on 26 November 2020, 7 May 2021 and 30 August 2021.

Consultation of the RSB

On 22 September 2021, the Directorate-General for Migration and Home Affairs submitted the draft Impact Assessment to the Regulatory Scrutiny Board, which examined the draft Impact Assessment on 20 October 2021. On 25 October 2021, the Board issued a positive opinion with reservations, requesting to rectify a number of aspects. The table below summarises the main recommendations for improvement, and how they have been addressed in this Impact Assessment report.

Main recommendations	Changes in the Impact Assessment Report

[131] COM (2020) 609 final, Communication from the Commission on a New Pact on Migration and Asylum, https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1601287338054&uri=COM%3A2020%3A609%3AFIN
[132] COM(2020) 690 final, Commission Work Programme 2021, A Union of vitality in a world of fragility, p.6, https://eur-lex.europa.eu/resource.html?uri=cellar%3A91ce5c0f-12b6-11eb-9a54-01aa75ed71a1.0001.02/DOC_1&format=PDF
[133] COM(2020) 690 final, Annexes to the Commission Work Programme 2021, p. 14, https://eur-lex.europa.eu/resource.html?uri=cellar%3A91ce5c0f-12b6-11eb-9a54-01aa75ed71a1.0001.02/DOC_2&format=PDF

for improvement	
1. Clarify the problem definition and intervention logic	• The problem definition has been revised, also based on the intervention logic of the Fitness check, and a hierarchy between problems has been established, with three key problem areas. • It has been clarified how the initiative fits within the EU legal migration acquis and within the overall Pact's objective to have a comprehensive approach to migration management in the EU.
2. Clarify the scope of the initiative and how it articulates with the revision of the Single Permit Directive.	• It has been clarified that the scope of the initiative is to revise the current Directive, not to fundamentally overhaul its objectives, and that the starting point of the revision are the outstanding issues emerged during the 15 years of applications of the Directive, as confirmed and elaborated during the consultation carried out for the Impact Assessment, and in the conclusions of the Fitness Check. • It has been clarified that the revision of the Long-term residents Directive and the revision of the Single Permit Directive are complementary, as they address two different phases of the overall migration process. • Following the revision of the problem definition, also the objectives have been restructured. It has been clarified that the three specific objectives are all complementary and inter-twined, and that, in particular, there is no trade-off between the objective of integration in the first Member State and the right to move to a second Member State or to exercise circular migration.
3. Clarify the core differences in policy choices between the options.	• The policy options have been more clearly structured around the three main thematic areas corresponding to the three specific objectives. • The revised Report explains better to what extent the three legislative policy options address the different objectives, so that it is clearer that they present alternative ways to meet the objectives. • A new table underlining the assessment of the effectiveness of the individual measures has been added. •
4. Better assess the impact on the effectiveness of the Directive when measures are optional rather than mandatory.	5. It has been clarified what measures are new obligations and what measures are new options for Member States, and the effectiveness analysis of the optional measures has been adapted taking into account the uncertainties on their implementation. • It has been made clearer that the preferred option PO3 does not aim at a 'full harmonisation' as PO4, nor it considers the discontinuation of national long-term residence permits as a crucial factor for the successful revision of the Directive.
6. Better analyse the domestic labour market impact of	• It has been clarified that in all legislative options but option 4, the intra-EU mobility of long-term residents would be facilitated, but would still be subject to conditions. In

facilitating intra-EU mobility.	particular, it has been clarified that the potential displacement effect on EU workers is expected to be limited in PO3, as the most important safeguards to avoid pressure on labour conditions, wages and of displacement of EU workers are that the system would remain demand-driven (long-term residents would still need a job offer to move to another Member State).

Evidence, sources and quality

As detailed in Annex 2, the Impact Assessment is based on a series of studies, reports, stakeholders and experts' consultations, of which the most relevant ones are highlighted below.

A wide consultation, including a public consultation, was already conducted in the context of the **Fitness Check** on EU legislation on legal migration[134] published in 2019, which was supported by a study conducted by an external consultant.

Between 23 September and 30 December 2020, another online public consultation on the future of legal migration was conducted via the Commission's 'Have your say' portal[135].

Targeted consultations, asking more technical questions on the revision of the Directive, took place in the first half of 2021. Some of these consultations were carried out by the Commission independently and some in the context of a study commissioned to an external contractor.

Replies to the two above-mentioned public consultations came from EU citizens, organisations and third-country nationals (residing inside or outside the EU), business associations and organisations, non-governmental organisations, academic/research institutions, trade unions, ministries, public service entities. Targeted consultations included competent authorities in the Member States, business associations and organisations, non-governmental organisations, academia, think tanks and public service entities. The replies to the consultations gave a very comprehensive overview of the main problems in the functioning and implementation of the Directive.

Taken together, the consultations carried out by external consultant and the Commission independently have generated a good amount of data. However, much of this data is of a general nature, especially with regard to questions of costs/administrative burdens. For this reason, the Impact Assessment relies on a qualitative methodology capable of accommodating quantitative measures and reflecting quantitative estimates from other sources. The cost estimates that are provided in the Impact Assessment are based on a combination of factors, including representative data on costs provided by certain Member States and stakeholders.

[134] SWD(2019) 1055 final
[135] https://ec.europa.eu/home-affairs/content/public-consultation-future-eu-legal-migration_en

The analysis presented here has been partly constrained by the negative impact of the Covid-19 pandemic that caused distortions on the incoming migration flows and the intra-EU mobility. While data on long-term residence permits for 2020 is not yet available, published statistics by the end of July 2021 show changes in trends of migration. For instance, net migration which is the difference between the number of immigrants and the number of emigrants decreased in the EU during 2020 compared to 2019[136] and most Member States for which data is available issued less single residence permits in 2020 than in 2019[137]. Therefore, it was more difficult to estimate and quantify the potential impacts of the policy options and of various factors that influence the attractiveness and labour migration flows, e.g. entry requirements, level of rights and the (real or perceived) "burdens".

[136] Eurostat, Statistics Explained article on Population and population change statistics
[137] Source: Eurostat (migr_ressing) as available at the end of July 2021.

ANNEX 2: STAKEHOLDER CONSULTATION

This annex provides a synopsis report of all stakeholder consultation activities undertaken in the context of this Impact Assessment.

1. Consultation strategy

The overall aim of the consultation activities was to collect the views of the relevant stakeholders on the policy initiatives in the area of legal migration at both national and EU level and to offer them the opportunity to inform the impact assessment and, in particular, the development of policy options addressing the problems identified. The consultations sought to collect inputs pertaining to:

(1) collect objective data, information, and evidence to feed into the Impact Assessments;

(2) collect views on the issues at stake and suggested EU involvement, as well as opinions, ideas and concerns about possible solutions and impacts.

In preparing the initiative, Commission services carried out an initial mapping of primary stakeholders, which include: (i) EU institutions and agencies; (ii) relevant authorities in the EU Member States; (iii) networks of NGOs working at the EU level; (iv) subject-matter experts; (v) economic and social partners; (vi) trade unions; (vii) international organisations and (vii) employers' associations.

Over the course of the consultation process, Commission services used a variety of methods and forms of consultation, which included:

- Targeted consultations with stakeholders both independently and as part of the study that supported the development of this Impact Assessment.

- An opportunity for all interested parties to provide feedback on the Inception Impact Assessment via the Commission's 'Have your say' platform;

The study was commissioned by the Commission's Directorate-General for Migration and Home Affairs (DG HOME) and conducted by an external contractor.

More specifically, a wide consultation process, including a public consultation, was already conducted in the context of the Fitness Check on EU legislation on legal migration[138] published in 2019, which was supported by a study conducted by an external consultant. Subsequently, between 23 September and 30 December 2020, another online public consultation on the future of legal migration was conducted via the Commission's 'Have your say' portal[139]. In total, 226 responses were received to the questionnaire and 38 written contributions, from a wide range of actors representing all relevant

[138] SWD(2019) 1055 final.
[139] https://ec.europa.eu/home-affairs/content/public-consultation-future-eu-legal-migration_en

stakeholders[140]. This public consultation aimed to identify areas where the EU framework on legal migration could be further improved, including through possible new legislation. It included questions relevant for the revision of both the Long-term residents Directive and the Single permit Directive.

The majority of respondents' views to this consultation were aligned that the EU should take both new legislative and practical measures in the area of legal migration. Improving the information on legal pathways (92% or 208 out of 226 total responses), improving systems to recognise professional qualifications and validate professional skills acquired (92% or 207 responses) and the support in the exchange of good practices (87% or 197 responses) were perceived as the most prominent practical measures that the EU should focus its initiatives on.

Concerning improving intra-EU mobility, a large majority of respondents agreed or strongly agreed on the importance of improving intra-EU mobility of third-country workers (72% or 162 respondents), whilst 14% disagreed or strongly disagreed (32 responses), and 24% (32) responded as neutral.

Finally, respondents agreed that the EU should strengthen and promote the long-term residents Directive and make long-term resident status a truly EU-wide residence status, with strengthened intra-EU mobility rights (79% or 178 respondents strongly agreed or agreed). Only 9% (or 21 respondents) either disagreed or strongly disagreed with this statement, with the remaining 12% (or 27 respondents) providing a neutral response.

In light of the consultations already conducted, no dedicated public consultation took place in the framework of this impact assessment.

Targeted consultations were however organised in the first half of 2021, with the purpose to cover more technical questions compared to the ones included in the public consultations. In particular, they helped defining the policy options and assessing their impact.

This synopsis report presents a succinct overview and the conclusions of the consultations undertaken in relation to the impact assessment on the revision of the Directive. The main results are summarised below and, where appropriate, referenced and taken into account in the Impact Assessment report.

2. Overview of the consultations

A number of targeted consultation meetings were held in 2021 as part of the study in support of the Impact assessment on the revision of the Directive.

- 1 March: the Portuguese presidency of the Council of the EU held a Working Party on Integration, Migration and Expulsion, to have an exchange of views on

[140] Contributions were received from EU citizens, organisations and third-country nationals (residing inside or outside the EU), business associations and organisations, non-governmental organisations, academic/research institutions, trade unions, ministries, public service entities, religious organisations, a law firm and a foundation.

the legislative initiatives in the field of legal migration, where the Commission also presented the results of the public consultation.

- 2 March: meeting of the newly established Expert Group on the Views of Migrants in the field of Migration, Asylum and Integration.
- 10 March: meeting of the European Network of Public Employment Services.
- 14 April: meeting of the Commission Informal Expert Group on Economic Migration (EGEM).
- 20 April: meeting with representatives of the Civil Society.
- 29 April: meeting of the EU Legal Migration Practitioners Network.
- 5 May: meeting with Economic and Social Partners.
- 18 May: meeting of the Contact Group on Legal Migration.

Ad hoc queries were also launched in the framework of this impact assessment to the members of the European Migration Network[141].

During all targeted meetings, the Commission presented the LTRD's main objectives and proposed a discussion on several shortcomings highlighted in the Fitness Check on legal migration and the implementation reports of the LTRD. Topics and areas discussed included:

- The under-use of the LTRD (due to among others a lack of information about the existence and the benefits of the LTRD, and the attractiveness and added-value of the LTRD);
- The conditions to acquire the long-term resident status (among others the requirement for five years of continuous and legal residence, the exclusion of the period spent with temporary permits, language requirements and the condition for stable and regular resources);
- The barriers to exercising intra-EU mobility (among others any disproportionate pre-conditions for intra-EU mobility);
- The lack of clarity and consistency in the rights of long-term residents and their family members; and
- The failure to ensure circular migration of long-term residents.

An overview of the results of and main points raised during the seven targeted consultations can be found in section 2 below.

3. Results

Under-use of the LTRD[142]

According to a majority of stakeholders, the under-use of the LTRD is at least in part due to **a lack of information or awareness** about the LTRD itself or about its benefits.[143]

[141] EMN (2021) Ad Hoc Query 2021.37 and 2021.36 to support an impact assessment study on the revision of the Long-term Residents and Single Permit Directives.

[142] Some within the Contact Group on Legal Migration disagree with this classification and do not believe there are any issues in the under-use of the EU LTR status.

[143] Third meeting of the Commission Expert Group on the Views of Migrants; Consultation of the European Network of the Public Employment Services; Fifth meeting of the Informal Expert Group on

According to representatives of Civil Society, in some Member States, the lack of awareness amongst migrants might be due to poor administrative practices and contentious national policy choices.[144] In particular, it was reported that some national administrations do not have sufficient knowledge of procedures concerning the EU LTR status or find them too complicated compared to the ones concerning the national permits (Representatives of the Civil Society, EU legal migration practitioners' network).

Various suggestions were made for improving the situation, among which:

- A legal obligation for Member States to inform third-country nationals of the possibility to apply for the EU LTR status (Economic and Social Partners), for example when they receive an application for the national LTR status (EU legal migration practitioners network) or during Member States' integration courses (Commission Expert Group on the Views of Migrants);
- Technical support or training to relevant entities and service workers within Member States (Representatives of the Civil Society, Commission Economic Group on the Views of Migrants);
- Awareness-raising campaigns, enhanced communication or guidelines addressed to both Member States and possible EU LTR applicants (Economic and Social Partners, Contact Group on Legal Migration)[145], among others on the different permits and the possibility to hold both the EU and national statuses (Representatives of the Civil Society);
- Better accessible and understandable information from Member States authorities, for example on their websites (EU legal migration practitioners network, Economic and Social Partners); and
- EU legal migration codification that third-country nationals, national authorities and organisations could understand and refer to when it comes to the purpose and procedures of the legal migration Directives (Representatives of the Civil Society).

Besides this, stakeholders also underlined issues with the **attractiveness** and **added value** of the LTRD.[146] The European Public Services network suggested extending the validity of the LTR permit (from five years to ten years after renewal), whereas the EU legal migration practitioners network focused on lengthy LTR application processing time compared to other schemes. It also emphasised – together with some within the

Economic Migration; Consultation with representatives of Civil Society; Second meeting of the EU legal migration practitioners network; Consultation with the Economic and Social Partners; Consultation with the Legal Migration Contact Group. Only two Member States disagreed within the Consultation with the Contact Group on Legal Migration.

144 Consultation with representatives of Civil Society.

145 Member States could in particular reach out to TCNs who are potentially eligible who are either high-skilled or working in a labour field where shortages exist (Consultation of the European Public Employment Services network).

146 Consultation of the European Public Employment Services network; Fifth meeting of the Informal Expert Group on Economic Migration; Second meeting of the EU legal migration practitioners network; Consultation with the Contact Group on Legal Migration.

Contact Group on Legal Migration – that in many Member States, five years of continuous residence are enough to acquire citizenship – in some cases especially for students, for whom only half of the period of residence is counted for the EU LTR status. Finally, the EU legal migration practitioners' network pointed out that, in some Member States, there is a very large level of discretion left to national authorities when assessing applications for the EU LTR status, as opposed to the national status. On the basis of this, it suggested the triggering of sanctions following the receipt of complaints on Member States who do not implement the LTRD effectively or whose criteria are too difficult to meet.

The Expert Group on Economic Migration (EGEM), as well as some within the Contact Group on Legal Migration, noted that the benefits or differences of the LTR status vis-à-vis a national scheme would have to be clarified better; the EGEM believed it would be useful to ask Member States where the LTRD made a significant positive impact, or what the drivers of a high number of EU LTR permits issued were. When reaching out, the private sector could also be targeted more, as employers can benefit from the effect of the EU LTR status on the stability of the labour force and the ability to retain workers.

Some members of the Working Party on Integration, Migration and Expulsion strongly underlined the need to keep the national schemes. In particular, they expressed the view that the abolition of the national schemes would undermine the Member States' competencies and would bring no added value, also in those countries where national long-term resident permits are not issued (e.g. Austria).

Conditions to acquire long-term resident status

A number of stakeholders emphasised some issues with the **requirement for five years of continuous and legal residence**, also in combination with the **exclusion of the period spent with temporary permits** (mostly pertaining students).

The Commission EG on the Views of Migrants, the European Public Employment Services network, the Economic and Social Partners and the Representatives of Civil Society explicitly noted that five years is too long, especially compared to national schemes.[147] The Economic and Social Partners believe the number of years should be reduced to three. Importantly, however, Representatives of Civil Society also recalled that before the adoption of the LTRD, a large majority of the Member States had a five-year (or more) requirement to obtain their national status. Only three Member States foresaw shorter periods. The Member States might still be reluctant to choose a permanent status arising earlier for the EU than for the national status. Furthermore, the majority of members from the Contact Group on Legal Migration believes the current conditions are appropriate and sufficient, particularly as regards the five-year requirement.

The Commission EG on the Views of Migrants underlined that **periods of legal residence spent in two or more Member States** cannot currently be cumulatively

[147] The Informal EGEM also noted that some categories of refugees and asylum seekers are not covered by the LTRD despite living in the EU for more than five years.

counted. Some Civil Society Representatives agreed that all periods of residence should be counted whether they are continuous or not. They also noted that there is a need to address the definition of the place of residence, the assessment of which could be difficult, especially in situations of remote work from a different Member State or a third country.

The Commission EG on the Views of Migrants, the Informal EGEM, the Representatives of the Civil Society and the Economic and Social Partners brought up that students' years of studies should be counted in full, if only to make the EU more attractive to international talent (Civil Society).

Besides this, the Commission Economic Group on the Views of Migrants and the EU legal migration practitioners' network were of the opinion that **language requirements** in some Member States are disproportionate.

Finally, the **condition for stable and regular resources** might be challenging to meet, in particular for low-skilled third-country workers, students, or challenging to prove (Commission EG on the Views of Migrants). The Commission EG suggested to include – as an alternative or additional condition to the resources requirement – a points system to acquire the EU LTR status (giving for example points to consider the impact of social entrepreneurs or the level of studies of the applicant). Besides this, the EU legal migration practitioners' network pointed out that some Member States interpret this condition very strictly. As a general solution, members of the EU legal migration practitioners network suggested the automatic triggering of sanctions following the receipt of complaints regarding bad implementation (including the implementation of criteria too difficult to meet) of the LTRD by the Member States.

Barriers to exercising intra-EU mobility

Although some members from the Contact Group on Legal Migration did not see the necessity of facilitating intra-EU mobility, others disagreed. In line with this, other stakeholder groups emphasised **disproportionate pre-conditions for intra-EU mobility** for LTR status holders compared to other EU workers, concerning among others:

- Labour market tests (LMT) (EGEM, Representatives of Civil Society, Economic and Social Partners);
- The recognition of qualifications (European Public Employment Services network, EGEM); and
- Proof of integration (Commission EG on the Views of Migrants).

This is, according to stakeholders (European Public Employment Services network, Informal EGEM, Economic and Social Partners) particularly troublesome for intra-EU mobility for professional purposes, which could increase the dynamism of the European Single Market and resolve shortages, among others. Furthermore, the European Public Employment Services network critically commented on how LMTs are only required for low to medium-skilled Third-country nationals in some Member States, with the Commission EG on the Views of Migrants also highlighting discrimination in the labour market against third-country nationals and additionally pointing towards the right or

ability of family members to follow. According to the EGEM and Representatives of the Civil Society, issues with intra-EU mobility in relation to the LTRD defeats the added-value of the LTRD, with Civil Society once again highlighting the special position of beneficiaries of international protection.

Some of the solutions suggested include, among others:

- Better communication to national administrations on LTRD rules and benefits regarding intra-EU mobility (EU legal migration practitioners network);
- Better communication between Member States (EU legal migration practitioners network, Contact Group on Legal Migration);
- Mutual recognition of professional qualifications among Member States (EGEM, EU legal migration practitioners network, Economic and Social Partners);
- Some LTRD provisions being beneficial in recognising professional qualification (for instance applying equal treatments measures) (European Public Employment Services network);
- Reviewing measures in other and more recent Directives that seem to be more effective (European Public Employment Services network);
- Replace LMTs with other good practices (Representatives of Civil Society, EGEM) or make them into a purely administrative process whereby a TCN can work whilst awaiting the application processing (EGEM, Representatives of Civil Society).

Some members of the EGEM noted that increased intra-EU mobility might not make the EU LTR status more attractive, as TCN mobility within the EU is relatively low, at least in part due to the 'investment' necessary to acquire LTR status in a Member State. Additionally, the LTR status is almost always acquired by individuals without the support of an employer, who might focus on initial admission and cross-Member State employment. However, other members of the EGEM disagreed with this. They noted that TCN mobility might very well be different in times of crisis (e.g., economic, pandemic) and that the administrative burden of temporary permits might be enough to push employers towards the LTR status for their employees. The Informal EGEM and some of the Economic and Social Partners considered a talent pool or one-stop-shop for candidates to intra-EU mobility. Finally, some members of the Working Party on Integration, Migration and Expulsion argued against the added value of having automatic intra-EU mobility rights for long-term residents, and expressed the need to first implement the existing rules and observe their outcomes before taking further steps.

Lack of clarity and consistency in the rights of long-term residents and their family members

In terms of the **rights of long-term residents**, Representatives of the Civil Society noted firstly that clauses concerning social security and social assistance should be removed or reduced by a horizontal revision of all legal migration Directives concerned and not by amending only the LTRD.

Besides this, the European Public Employment Services network and the EU legal migration practitioners' network underlined the problem with (ethnic) discrimination in the recruitment process. The European Public Employment Services network suggested mapping the qualifications and competences of third-country nationals to deploy them at the right level while filling vacancies. Relatedly, the Commission Economic Group on the Views of Migrants wished to see additional data (e.g., on the situation of women, poorly paid jobs and difficulties with meeting LTR conditions; on the intersectionality of discriminations people face at entry-level jobs) to ensure non-discrimination. It further noted that the revised LTRD could be aligned with EU Integration Action Plan and EU Action Plan against Racism to explore the possibility of introducing non-discrimination infringement measures. According to economic and social partners, the Directive could be improved by excluding the possible discrimination in the access to public employment or in the possibility to access certain voting rights.

Other specific issues that were mentioned include the following:

- The reluctance to let third-country nationals purchase immovable property (EU legal migration practitioners' network, Contact Group on Legal Migration, Representatives of the Civil Society). Linked to this topic, Representatives of Civil Society noted that the clause on equal treatment with regard to housing should not be limited to public housing.
- Persons applying for LTR status should have the same procedural safeguards and rights as those who apply for the national LTR permit as some within the EU legal migration practitioners pointed out differences between the two permits in the probability of winning an appeal against a negative decision.
- Concerning the transfer of social contributions, there is a lack of clarity on how this can be done in practice when transferring them from one Member State to another (EU legal migration practitioners' network, Representatives of the Civil Society).
- The fact that the withdrawal of protection status may sometimes lead to the withdrawal of the EU LTR status should be addressed (Economic and Social Partners).

Besides this, some believe there are problems with the **rights of family members** of long-term residents. The EGEM and the Contact Group on Legal Migration see some issues with family members' access to the labour market. The Economic and Social Partners advocated for extending the treatment granted to LTR permit holders to their family members, for example in terms of taxes, social security and social protection. The Commission EG on the Views of Migrants believes the family members are entitled to facilitated access to the LTR permit or to a facilitated procedure to extend their visas or permits. In general, the EU legal migration practitioners' network believes the provisions in the LTRD regarding the treatment of family members are very vague; it (together with some members of the Contact Group on Legal Migration) underlined that preferential treatment could act as an incentive for the use of the LTR status.

Failure to ensure circular migration of long-term residents

According to the Commission EG on the Views of Migrants, the Representatives of the Civil Society, and some within the Contact Group on Legal Migration, 12 months of absence allowing long-term residents to leave the Member State of residence while retaining the LTR status is too short; up to a minimum of two years is suggested as an alternative. Multiple considerations, such as the current sanitary situation restricting return travels (Commission EG on the Views of Migrants) and the possible distribution of knowledge and skills (Representatives of the Civil Society) play a role in this context. Some within the Contact Group on Legal Migration described difficulties with the interpretation of the concept of 'absence' as some members witnessed situations where an EU LTR would only come back in the MS for a couple of days to reset the counting of the period of absence while residing elsewhere.

Other

In the context of the COVID-19 pandemic, both Representatives from the Civil Society and the EU legal migration practitioners' network referred to flexibility allowing for derogations in case of exceptional situations. According to Representatives of the Civil Society, the impact of the pandemic should be considered both for the five-year requirements and for the 12 months of allowed absence while having the LTR status.

4. Direct feedback on the inception impact assessment

No direct feedback received.

5. Conclusion

The findings from the targeted consultation meetings showed several shortcomings that could be addressed in the revised LTRD.

Concerning the **under-use of the LTRD**, a majority of stakeholders pointed towards a lack of information or awareness about the LTRD itself or about its benefits. Suggestions for improvement ranged from technical support or training, awareness-raising campaigns, enhanced (and accessible, understandable) communication or guidelines, to legal obligations to inform about the LTR status or EU legal migration codification. Stakeholders also underlined issues with the attractiveness and added-value of the LTRD, pointing towards several areas for improvement – touching upon among others the validity of the permit, the processing time or discretion, the added-value and clarification vis-à-vis national schemes.

Concerning the **conditions to acquire long-term resident status**, four stakeholder groups explicitly noted that the requirement for five years of continuous and legal residence is too long, especially compared to national schemes. This also in combination with the exclusion of the period spent with temporary permits, for example in the case of students. Some suggested the shortening of the period, while others highlighted that Member States might be reluctant to choose a permanent status arising earlier for the EU than for the national status. Further remarks were made on the periods of legal residence and on definitions. Besides this, two stakeholder groups found the language requirement

to be disproportionate, and two underlined issues with the condition for stable and regular resources.

Concerning the **barriers to exercising intra-EU mobility**, stakeholder groups emphasised disproportionate pre-conditions for intra-EU mobility for LTR status holders compared to other EU workers, concerning among others:

- Visa requirements in the second Member State despite the LTR status (EGEM, Representatives of Civil Society);
- Labour market tests (LMT) (EGEM, Representatives of Civil Society, Economic and Social Partners);
- The recognition of qualifications (European Public Employment Services network, EGEM); and
- Proof of integration (Commission EG on the Views of Migrants).

This could hinder the dynamism of the European Single Market and the resolving of shortages. Further remarks were made on the position of low to medium-skilled TCNs, among others. According to the EGEM and Representatives of the Civil Society, issues with intra-EU mobility in relation to the LTRD defeats the added-value of the LTRD. Seven potential solutions were suggested by various stakeholder groups, ranging from (once again) solutions involving better communication, to efforts to recognise professional qualifications, and the review of LMTs.

Concerning the **lack of clarity and consistency in the rights of long-term residents**, one stakeholder group noted firstly that derogations concerning social security and social assistance should be removed or reduced by a horizontal revision of all legal migration Directives concerned and not by amending only the LTRD. Besides this, issues pertaining to ethnic discrimination in the recruitment process, the situation of women, and the purchasing of immovable property came up, among others. A variety of solutions was suggested at different levels of intervention. Concerning the **lack of clarity and consistency in the rights of the family members of long-term residents**, the following topics were prominent: access to the labour market, the extension of the treatment granted to LTR permit holders to their family members (for example in terms of taxes, social security and social protection), and the entitlement of family members to facilitated access to the LTR permit or to a facilitated procedure to extend their visas or permits. In general, the EU legal migration practitioners network believes the provisions in the LTRD regarding the treatment of family members are very vague; two stakeholder groups underlined that preferential treatment could act as an incentive for the use of the LTR status.

Concerning the failure to ensure **circular migration** of long-term residents, stakeholders from three stakeholder groups underlined that 12 months of absence allowing long-term residents to leave the Member State of residence while retaining the LTR status is too short; up to a minimum of two years is suggested as an alternative. Stakeholders from two stakeholder groups also referred to a need for more flexibility allowing for derogations in case of exceptional situations, such as the COVID-19 pandemic

(impacting for example the five-year requirements and the 12 months of allowed absence).

ANNEX 3: WHO IS AFFECTED AND HOW?

1. Practical implications of the initiative

The preferred option (PO3) would have positive impacts on most target groups. In particular, there would be significant positive impacts for **third-country nationals**, who:

- would benefit from the measures introducing a level-playing field by having a real choice between the EU LTR permit and the national LTR permits;
- would be able to fulfil easier the conditions to acquire the EU LTR status, and therefore an increased number of TCNs legally residing in the EU would benefit from its rights, contributing to more social cohesion, which benefits both TCNs and EU citizens; would benefit from better intra-EU mobility rights by having more chances to be recruited or accepted for studies in other Member States;
- would have better rights for them and their family members, to support their full integration in the society;
- would be able to exercise circular migration without losing their EU LTR status.

As the intra-EU mobility of long-term residents in this option would be facilitated (in particular through the abolition of the LMT), it may create some competition towards **EU workers**. However, the most important safeguards to avoid pressure on labour conditions, wages and of displacement of EU workers are that the system remains demand-driven (long-term residents would still need a job offer to move to another Member State). Therefore, the potential displacement effect on EU workers is expected to be limited,

A positive impact is also expected on **third countries,** as the measures facilitating circular migration would help counter the "brain drain" phenomenon allowing TCNs to move and stay longer in their country of origin, for instance for investment or business purposes. Furthermore, the measure enabling the TCNs to re-acquire their EU LTR status will be able to maintain a more stable economic situation which would ultimately allow them to maintain the level of remittances sent to their country of origin.

The competent **national authorities** would need to adapt the existing procedures and ensure compliance with the new rules. In particular, they would have to adapt procedures on LTR applications as a consequence of the level-playing field mechanism and the modified conditions for acquisition of the status, as well as on intra-EU mobility applications and applications to reacquire the status after long absences.

The preferred PO would also have important impacts on **businesses/employers**, in particular with regards to the measures facilitating intra-EU mobility. As a result of these measures, which is especially positive for SMEs, employers would benefit from a larger pool of qualified third-country nationals already legally residing in the EU.

Summary of costs and benefits

The tables below present the costs and benefits associated with the preferred Policy Option, PO3. Benefits are mainly in the form of direct costs savings across MS national

authorities, TCNs and employers. On the other hand, costs were mainly identified for national authorities and include one-off and recurring costs.

I. Overview of Benefits (total for all provisions) – Preferred Option		
Description	***Amount***	***Comments***
Direct benefits		
Simplification of current procedures	€ 24.457	MS national authorities The average value of cost savings across all measures included within PO3 are presented. Note that only 6 measures were associated with a quantifiable cost savings to MS national authorities
Simplification of current procedures for TCNs (e.g. lowering fees, shorter procedures)	€ 1.144.530	TCNs The average value of cost savings across all measures included within PO3 are presented. Note that only 2 measures were associated with a quantifiable cost savings to TCNs
Simplification of current procedures for employers (e.g. lowering fees, shorter procedures)	€ 112.727	Employers The average value of cost savings across all measures included within PO3 are presented. Note only 1 measure was associated with a quantifiable cost saving to Employers
Indirect benefits		
Increase in tax revenue	€ 8.469.964	Mostly resulting from increased intra-EU mobility of EU LTR permit holders, as well as an increase in third-country students coming to the EU and an increase of in temporary permit holders remaining in the EU to obtain the EU LTR status.
Increase in consumption	€ 74.216.198	As above
Increase in remittances	-€ 13.234.319	As above – the amount is negative as it is benefiting third countries, not the EU economy

(1) Estimates are relative to the baseline for the preferred option as a whole (i.e. the impact of individual actions/obligations of the preferred option are aggregated together); (2) Please indicate which stakeholder group is the main recipient of the benefit in the comment section;(3) For reductions in regulatory costs, please describe details as to how the saving arises (e.g. reductions in compliance costs, administrative costs, regulatory charges, enforcement costs, etc.; see section 6 of the attached guidance).

II. Overview of costs – Preferred option							
	Citizens/Consumers		Businesses		Administrations		EC
	One-off	Recurrent	One-off	Recurrent	One-off	Recurrent	One-off

PO 3 (may clauses)	Direct costs	n/a	-1.144.530	n/a	-112.727	1.200.705	1.017.019	59.727
	Indirect costs	n/a						

(1) 1) Estimates reported the totals of all the average annual costs included in each measure included within the Policy Option, totalled for all cost items associated with each stakeholder group (including costs related to transposition, familiarisation, adaptation, IT systems acquisition/update, information provision, communication).

ANNEX 4: ANALYTICAL METHODS

This annex presents the overall analytical methods used, and assumptions made, for the quantification of costs (and cost savings) and economic impacts.

The approach used for the cost-assessment is a Standard Cost Model. Costs and, where relevant, cost savings were itemised and quantified to the extent possible across each of the proposed measures. These were then aggregated across measures to estimate the overall average or total costs to all relevant stakeholder groups associated with the proposed Policy Options.

In addition, a theory-based model was used for the estimation of economic benefits to measure the impact of the proposed Policy Options on tax revenue, remittances and consumption. This model uses various equations, the parameters of which are taken from the literature or qualitative evidence such as experts' advice and validation. No other econometric models were used, as it was not deemed feasible on the basis of the data available.

The steps taken, calculations used, and main assumptions made in this analysis are summarised below.

General

The following main assumption has been made concerning the evolution of the EU long-term residence (EU LTR) permits:

Without EU action, the number of EU LTR status holders (stock and flow) will evolve in a linear way, based on extrapolation using European statistics on LTR status holders for 2015 – 2019[148], which thus takes account of the gradual decline in the share of EU permits vis-a-vis national permits over the second half of that decade, whilst also considering the continuously growing total number of third-country nationals with long-term residence status. No research was available to suggest any other trend.

The baseline scenario for the number of EU LTR status holders over the period 2020-2030 was achieved by estimating the average annual change in EU LTR status holders

[148] Souce: Eurostat, (migr_reslong)

over 2015-2019 and using such average to extrapolate the linear trend using as starting point in 2014. Over the last 10 years, trends have been affected by the effects of the financial and economic crisis, which would make 2009-2019 more volatile and less representative. For extrapolation purposes, the period 2015-2019 was chosen considering that those are more representative years, of the way in which the situation would evolve in the foreseeable future.

Based on most recent available data from Eurostat, (migr_resfirst), in 2020 there was an abrupt fall in the number of first permits (including LTR) issued due to the COVID-19 pandemic and travel restrictions. However, the trend anterior to 2020 was approximately linear since 2016. The linear trend, therefore, is the best approximation of the baseline evolution, if we assume a gradual return to pre-COVID situation. Other trends can be envisaged, but they would be based on speculative assumptions and hypothesis which would be difficult to validate ex-ante, in respect of the linear trend.

Based on retrospective analysis, over the last decade, the increase in the numbers of national permits was much more pronounced than that of EU permits. Therefore, we expect the continuation of the relative decline of the share of EU permits, assuming that Member States will continue to issue their national permits. However, in the case of option 4, the issuance of national permits will no longer be possible, with a European scheme subsuming the total population of permits holders.

In terms of absolute total numbers, the population of long-term residence permit holders is growing continuously since 2012, with the exception of the year 2020 due to COVID-19 pandemic. It seems reasonable to assume that this trend will continue, once the situation will return to conditions that are more normal. https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do

Long Term Residence baseline extrapolated from 2015-2019 period

	2015	2016	2017	2018	2019
EU LTR European Union - 27 countries (from 2020)	3.074.478	2.984.337	3.055.411	2.964.527	3.007.696
All LTR European Union - 27 countries (from 2020)	7.582.068	9.935.373	10.248.919	10.171.153	10.357.741

2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
3.025.043	3.042.390	3.059.738	3.077.085	3.094.432	3.111.779	3.129.126	3.146.474	3.163.821	3.181.168	3.198.515
11.029.324	11.700.907	12.372.491	13.044.074	13.715.657	14.387.240	15.058.823	15.730.407	16.401.990	17.073.573	17.745.156

Analytical methods applied to estimate costs and cost savings

The costs and possible cost-savings of the policy measures have been calculated for three main stakeholder groups, namely 1) national authorities, 2) employers/businesses and 3) third-country nationals, as well as for 4) the European Commission.

It is important to note that there is assumed to be a sub-group within the second group, employers/businesses, which includes small and medium-sized enterprises (SMEs). Whereas this sub-group were not accounted for separately as part of cost and cost savings calculations due to limitations in the availability of data, the cost savings associated with certain measures included within the policy options assessed (in particular, measure 2.6) are likely to affect SMEs to a greater extent. This is because it is reasonable to assume that SMEs would face a higher relative threshold associated with hiring procedures for TCNs, which leads to a disproportionate administrative burden given their more limited resources when compared with larger organisations. As such, cost savings resulting from faster and simpler hiring procedures, the main type of saving associated with employers, would benefit SMEs relatively more. Therefore, it is possible that the figure for Employer cost savings reported is an underestimate.

The overall approach to the estimation of costs and cost savings consisted of the following key steps:

1. Firstly, the cost items associated with each policy measure were assessed, considering the type of cost (i.e. one-off or recurring), the stakeholder group impacted and, in the case of Member States, how many of these were likely to be impacted by the measure/change.
2. For each cost item, estimates for the value of the cost/cost saving were developed. Further details on how each type of cost item was estimated are set out by stakeholder group below. Estimates and assumptions were based on the Study supporting this Impact assessment[149], including the inputs provided by an expert panel,[150] and the study team members' experience of conducting similar quantification exercises, in particular on the cost of reporting to the EU, training of staff, familiarisation with EU legislation, transposition, and compliance costs. The approach is similar to the one used most recently for a DG JUST Study on the impacts of a possible revision of the Consumer Credit Directive (CCD) in 2020-2021, and DG HOME Evaluation of the Counter-Terrorism Directive, among others in previous years. For the CCD, the costing approach had in fact been discussed as part of a workshop on policy options and discussed with key study experts. In some cases, estimates of the cost values are based on estimates of the baseline scenario when the LTR was adopted in 2003. These were then used as a reference on which to base assumptions for the costs associated with individual measures, as detailed below.
3. Costs and costs savings for each cost item and policy measure were then aggregated across Member States and over the period between 2021-2030 (excluding 2020 as the baseline year). This enabled aggregate costs across all relevant Member States to account for differences in costs across Member States

[149] ICF, Study in support of the Impact assessments on the revision of Directive 2003/109/EC and Directive 2011/98/EU, 2021.

[150] The expert panel was made up of five experts from the Odysseus Academic Network for Legal Studies on Immigration and Asylum in Europe; the Migration Policy Institute; and Fragomen, a law firm specialised in labour migration.

(e.g. public sector salaries, LTR applicants etc.). In addition, to estimate aggregate costs for the implementation of each measure across all affected Member States, where relevant, the specific costs per Member State were estimated, considering evidence on whether the policy measure would require change in a Member State or not.

4. Finally, estimated costs and cost savings were aggregated for each policy option. This consisted of:

   a) Estimating the average annual costs (total costs across all relevant Member states) of each cost item included within each policy measure.
   b) Aggregating cost items into a more 'streamlined' list of costs items/categories[151].
   c) For **costs**, totalling all the average annual costs (across all relevant Member States) of all the measures included within each policy option for each cost item. Costs presented are totals of the average annual costs of all measures included in each policy option for each cost item. These totals do not exclude any costs that are duplicated within each policy option when aggregating all measures (e.g. monitoring and reporting costs, which are included in each measure but would be delivered at the policy option level in practice). This is because, when estimating costs, assumptions were made that took into account the fact that individual measures would be aggregated i.e. assumptions made around the amount of FTE days or effort required for each cost item were relatively conservative for individual measures, since it was assumed that measures would not be implemented in isolation.
   d) For **cost savings**, average figures were used (i.e. the average cost saving of all the average annual total cost savings across all policy measures included within each policy option). This is because several of the cost savings that were thought to be associated to policy measures were not possible to quantify at this stage due to a combination of a lack of available data and further validation required for certain assumptions on values. As such, it was deemed to be more accurate to present average cost saving figures (i.e. the average cost saving across all measures included within the Policy Option) rather than totals that in effect excluded several potential savings. However, this may mean that total cost savings are somewhat underestimated, since figures have not been aggregated across all the measures within each Policy option. It is important to note, on the other hand, that in most cases relatively few policy measures were associated with quantifiable cost savings (6 for national authorities, 2 for TCNs and 1 for employers)..

[151] To more accurately estimate the costs associated to each measure, the original list of cost items was highly specific and detailed. However, to facilitate the overall analysis of costs and cost savings across policy options, it was deemed appropriate to aggregate costs into overarching cost types, e.g. administrative costs and compliance costs. These aggregated costs represent the average annual total costs across all relevant Member States and all cost items included within the 'overarching' cost type/category.

Details on the specific calculations and assumptions applied to estimate costs for each stakeholder group are set out below, based on the supporting study of this Impact Assessment[152].

Estimation of costs for the European Commission

The costs for the European Commission were mainly calculated in relation to introducing amendments to the LTRD and issuing guidelines, training material and information as well as ensuring compliance to new measures. These were based on estimates as to the number of days that would be required per type of activity, multiplied by the daily cost of a Commission official level AD10 (i.e. monthly salary estimated based on EU statistics[153]), assuming an average working month of 22 days, and an average 36.2 hours worked per week (based on figures from Eurostat in 2019 on the average number of hours worked per week, assuming a 7-hour working day[154]).

Estimation of costs for national authorities

The calculations of administrative/compliance costs for national authorities were largely based on a general formula:

Number of days per FTE * number of FTEs * daily wages

However, where available, calculations of costs were based on estimates of annual FTE time required in the baseline scenario – when the LTR was adopted in 2003, as noted in the above. In these cases, the formula was:

Number of days per FTE in 2003 * proportion of these number of days required per measure (%).

We have assumed that only one national authority would be affected in each case.

Typically, the number of hours and number of FTEs assumed for activities, such as transposition, monitoring, reporting, familiarisation, adaptation, training, communication/ information provision, etc. were based on the study team's assumptions (in turn based on study team members' experience of conducting similar quantification exercises). Where baseline estimates were drawn upon, it was assumed that the effort/cost requirement associated to specific *measures* would be a fraction of that associated to the revision of the entire LTR[155]. Such activities are not dependent on the number of affected applications or permit holders; hence they are not included in the above formula.

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[152] ICF, Study in support of the Impact assessments on the revision of Directive 2003/109/EC and Directive 2011/98/EU, 2021.

[153] Figures available from https://euemployment.eu/how-much-do-eu-officials-earn/

[154] This was calculated by multiplying the hours worked per week by 52 (number of weeks per year) then dividing by the assumed working day (7 hours) and dividing again by 12 (number of months per year) Estimate available at https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Hours_of_work_-_annual_statistics

[155] Baseline values were available for costs associated with transposition, monitoring and reporting. In the interest of consistency, it was assumed that 30% of the costs/effort required for these cost items for revising the entire LTR would be required for the implementation of specific measures. This is because, whereas it is reasonable to assume that revising a single measure would require a fraction of the transposition/ monitoring/ reporting costs than revising the entire LTR, it would still likely require a

The following sources and assumptions were used:

Daily wages for public sector professionals in each member state were sourced from Eurostat ("Average daily wage of Public sector professional [in Euros]") and increased in line with inflation (inflation statistics derived from Eurostat and OECD[156]).

As noted above, it is assumed that for each measure, the cost of transposing, monitoring compliance and reporting to the EU to Member States is 30% of the time cost estimated to be required in the baseline figures – when the LTR was adopted in 2003[157].

In some cases, it was known that costs would affect different Member States to different extents. However, at this stage this variation was not included within the estimation of costs. This is because in some cases it was not known which Member States would be more affected, and in others the *extent* to which those member states would be additionally affected was unknown and would be challenging to estimate.

Estimation of cost savings for national authorities

The calculation of ***cost savings*** were made using the formula below:

Number of days per FTE before the introduction of the measure * proportion of this time spent after the introduction of the measure (where relevant) * number of FTEs * hourly wages.

Typically cost savings for national authorities would be in the form of reduced time spent on certain activities, such as checking LTR status of TCNs or undertaking labour market tests, or simplification/reduction of administrative burden/ procedural steps around LTR and associated restrictions. As above, these reductions were based on the study team's assumptions (and thus on study team members' experience including on studies such as the studies cited above, the Study on the impacts of a possible revision of the Consumer Credit Directive and Evaluation of the Counter-Terrorism Directive, as most recent examples of an approach used already on many occasions)..

The following sources and assumptions were used:

Daily wages for public sector professionals in each member state were sourced from Eurostat ("Average daily wage of Public sector professional [in Euros]") and increased in line with inflation.

Where relevant (e.g. measure 2.5), the above formula was also multiplied by a proportion representing the share of applicable LTR status holders, assuming the amount of

not-insignificant proportion of this effort to, for example, make legislative changes and monitor compliance to individual measures.

[156] Eurostat data was used for the inflation rate in 2019 and 2020 (available at Statistics | Eurostat (europa.eu)), whereas OECD figures were used for inflation forecasts for 2020 onwards (available at Euro Area Inflation Forecast 2019-2024 and up to 2060, Data and Charts - knoema.com)

[157] These were estimated based on similar estimates of time costs drawn from ICF's recent study for DG JUST Study on the impacts of a possible revision of the Consumer Credit Directive (CCD) in 2020-2021

time/effort required to perform certain tasks would decrease directly in line with the number of applicants.

In one case, when calculating the cost saving to Member States associated with a simplification of procedures for the family members of EU LTR permit holders applying for family reunification (measure 2.13) , the above formula is multiplied by the number of applications for reunification assumed to be received per country per year, on average. Due to a lack of availability of relevant data, and based on consultation with the expert panel, this was assumed to be 100 applications.

The number of applications is estimated to be low due to the fact that, as highlighted by members of the expert panel, in practice a high number of EU LTR permit holders acquire citizenship after five years and most family reunification takes place rather at this stage, with similar rights to EU citizens and under facilitated conditions.[158]

Estimation of costs / cost savings for third-country nationals

Cost savings for third-country nationals were assumed when a policy measure would ensure either a reduction in their direct costs due to the lowering of a fee (policy measure 2.2) or reduced reliance on external counsel (e.g. legal advisors), as calculated under policy measure 2.4 and policy option 1.

To calculate the reduction in fees that would result from policy measure 2.2, the following formula was applied:

[Cost of EU LTR - cost of national LTR = potential cost saving per permit] * number of EU LTR permit holders

However, as only in Portugal a significant difference between the fees for the two types of permits was identified, the cost savings calculated only concern this Member State.

To calculate the estimated reduction in legal fees (policy measure 2.4 and policy option 1), the following formula was applied:

Average cost of legal fees paid by TCNs * % of TCNs applying for LTR that seek legal counsel (assumed to be 10%) * % of cases of TCNs seeking legal counsel assumed to be spared by greater information * number of EU LTR applications projected to be received each year in the Member States.

A few policy measures were also assessed to reduce the time that third-country nationals need to wait for a decision on their application (measure 2.9), to be able to work/study in the second Member State (measures 2.10 and 2.7 respectively), or decrease travel costs (measure 2.8), but as there were too many different factors at play, these cost savings could not be quantified.

The following sources and assumptions were used:

[158] Brainstorming session with the expert panel, 10 June 2021.

National and EU LTR permit fees were sourced from the Legal Migration Fitness Check (Task II, phase 3), figures in red are taken from EMN 2016 (#1000) AHQ on national residence permits of permanent or unlimited validity (Question 3).

Data on the number of LTR permit holders was sourced from Eurostat, data on long-term residents by citizenship on 31 December of each year [migr_reslong]. Data for the years 2020-2030 was extrapolated based on the 2015-2019 linear trend. For some years and some Member States (a minority), data was missing. Where this was the case data was added, estimated based on figures for the years before/after.

It is assumed that average cost of legal fees paid by each TCN that seeks legal counsel to support with their application is 300 EUR per application. This is based on the team's expert judgement and experience of projects related to LTR applications.

The percentage of cases of TCNs seeking legal counsel assumed to be spared by greater information is assumed to be 5% for policy option 1 and 10% for measure 2.4. This is because, since the measure in policy option 1 would not be legally binding, it is assumed that fewer cases would be spared, taking into account the variation in ways in which the measure would be applied. For policy option 1, the fact that the measure would not be legally binding also means it would be reasonable to assume that less than half of the Member States would apply it. To account for this, as well as the variation in the way the measure would be applied across member states, the estimated cost saved per person was further reduced by three quarters (i.e. it was assumed to be one quarter of the cost for policy measure 2.4, on top of the reduced percentage of TCNs spared legal counsel fees). This approach was adopted because it would be difficult to estimate which of the Member States would/would not apply the measure.

Estimation of cost savings for employers/businesses

One policy measure was assessed to lead to costs savings for employers as the removal of the labour market test would speed up and simplify their recruitment procedures when hiring third-country nationals (policy measure 2.6). The formula applied was the following:

Time cost associated with labour market tests when hiring one third-country national * average number of third-country nationals (per Member State per year) requiring labour market tests (across the EU) * % of effort required following the introduction of the measure.

The following sources and assumptions were used:

Due to lack of availability of data on employer time costs across member states, data on daily wages for public sector professionals in each member state were used, sourced from Eurostat ("Average daily wage of Public sector professional [in Euros]") and increased in line with inflation.

As noted above, due to a lack of available data it is assumed that the cost reduction has an equal effect on firms of all sizes, though this is not likely to be realistic.

It was assumed, based on the team's expert judgement, that on average each member state would receive around 500 applications from third-country nationals that would require labour market tests across the EU.

Economic impacts

Estimating the potential economic impacts of the changes to the LTRD is a difficult exercise, as data are lacking on key points such as the extent to which long-term resident third-country nationals are intra-EU mobile, the drivers of their migration decisions and the drivers behind their choice to apply for the national or EU LTR status. To arrive at some degree of quantification and monetisation, several assumptions had to be made for which no evidence was available from literature or other sources. In the context of the study supporting this Impact Assessment, an Expert Panel made up of five experts from the Odysseus Academic Network for Legal Studies on Immigration and Asylum in Europe, the Migration Policy Institute and Fragomen, a law firm specialised in labour migration, was consulted to review draft assumptions and assessments made.

Wherever it was deemed possible to quantify and monetise, for the estimation of the economic impacts the main assumptions used as part of the assessment of the policy measures are the following.

The policy options overall were expected to lead to **increased intra-EU mobility** of third-country nationals. Therefore, as part of the baseline, it was assumed that on average 2% of EU LTR status holders would move to a second Member State. This was based on an estimate that 3-4% of EU citizens are resident outside their country of origin[159] and anecdotal evidence that third-country nationals are less mobile overall.[160] This assumption was validated by the expert panel,[161] who shared the view that the removal of barriers to intra-EU mobility could be expected to lead to a moderate increase in the number of mobile EU LTR status holders.

Moreover, national authorities provided evidence for only four Member States (Germany, Poland, Slovenia and Sweden) on the number of EU LTR residence holders from another Member State applying for a residence permit. If the numbers for these four countries are summed and divided by four (sample mean) and this average is extrapolated over 25 Member States, such percentage rate reaches 7%. However, such estimate would significantly overestimate the actual percentage rate because it is based on countries such as Germany and Sweden that are magnets for immigration. In addition, data shows high dispersion (e.g., 22 in Poland compared to 2,284 in Sweden). Therefore, given the lack of

[159] EMN (2021) Ad Hoc Query 2021.37 and 2021.36 to support an impact assessment study on the revision of the Long-term Residents and Single Permit Directives and Kahanec, M., Guzi, M. (2017), "How immigrants helped EU labour markets to adjust during the Great Recession" in International Journal of Manpower. Data can also be found on Eurostat, Immigration by age group, sex and citizenship (MIGR_IMM1CTZ).

[160] Fifth meeting of the Informal Expert Group on Economic Migration, 14 April 2021.

[161] The panel consists of experts from the Odysseus Network Academic Network for Legal Studies on Immigration and Asylum in Europe, the Migration Policy Institute Europe, and Fragomen, a firm specialising in immigration and labour law.

data for 21 Member States and the uncertainty in the out-of-sample extrapolation, the 2% represents a more credible value.

In consultation with the expert panel, an estimate was made of the % increase of third-country nationals who would become mobile as a result of the individual policy measures. These estimates ranged from 1.5 percentage points to 2% percentage points on top of the 2% baseline, depending on the option. This share was then applied to the extrapolated baseline of EU LTR status holders. It is noted that these are very cautious estimates, given that many other factors are also expected to influence intra-EU mobility, including educational levels, type of professional qualifications and skills, etc., which are not known for this cohort.

The policy options were also expected to lead to an increase in applications for the EU LTR status by third-country nationals, as the various measures included would make the status more attractive over national LTR statuses. It was assumed that this would increase by 20% and 25% for two of the options compared to the extrapolated value of the baseline over the period 2020-2030. Such assumption is based on the study team's experience with similar studies in the field of legal migration[162] as well as the views of the expert panel. A final policy option foresees a major increase in permit holders as it is based on the extrapolation of both EU and national LTR status holders. In other words, the national LTR scheme is subsumed by the EU scheme. In addition, for such an option it was assumed 4% would become mobile.

Two important additional general assumptions, again in consultation with the expert panel, where made:

Incremental vs distributional effect. The effects of the policy measures were incremental, i.e. affecting the EU as a whole. Intra-EU mobility means that people move from Member State A to B. In theory, if both countries were identical, the final outcome would be a zero-sum game, namely, what Member State A loses is gained by State B. In such a case, there is no change at EU level but a simple distributional change, which is not of much relevance for an impact assessment. However, in practice, this may not be the case because Member States are heterogeneous. For example, if people move from a low-tax Member State to a high-tax Member State, the net effect is higher tax revenues at EU level. It is extremely difficult to predict the precise net effects of intra-EU mobility in those terms. Hence, it has to be assumed that mobility per se brings certain incremental benefits at the EU level as a whole.

The panel of experts agreed on this overall assumption, as well as with the assumption that a key driver for intra-EU mobility would be the **wage differential**. The assumed average wage differential for third-country nationals to move to a second Member State

[162] For example, the Analysis of the Legal Migration and Integration Public Consultations (2020), the Study in support of the Legal Migration Fitness Check (2018), the impact assessment of the EU Blue Card Directive, as well as relevant studies conducted for the EMN, such as the Synthesis Report on Long-term resident status in the EU (2020); Migratory pathways for start-ups and entrepreneurs (2019); Pathways to citizenship for third-country nationals (2019); Labour market integration of third-country nationals (2018); and Attracting and retaining international students (2018).

is estimated at 10%. There is ample research about the link between migration and wages. Literature assumes that mobile citizens act as rational agents who base their decision to migrate according to benefits and costs. Moving abroad has tangible and intangible costs that must be outweighed by tangible and intangible benefits. The wage differential is considered one of the most important drivers for moving abroad. However, there are other emotional and social factors beyond the economic considerations.[163] The panel of experts considered that a 10% wage differential appeared a reasonable assumption, in the absence of any other supporting evidence.

One policy measure (3.3), included in policy option 3 , was assumed to lead to **an increase in the number of third-country nationals coming to the EU for the purpose of studies**, who after 5 years will request the EU LTR status. In consultation with the expert panel, it was however concluded that it was too difficult to estimate the % increase with any degree of certainty. It can nonetheless be assumed that these additional students would, once entering the labour market, make an important contribution to tax revenue, economic growth, consumption, productivity and remittances.

It was further assumed that this would increase / accelerate their socio-economic integration, which was expressed as an assumed 10% increase in their wages after completing their study in the EU, as opposed to the counterfactual of them not being able to obtain the EU LTR status within 4 years and potentially not remaining in the EU.

Another policy measure (3.4), included in policy option 3 was expected to lead to an **increase in the number of third-country nationals with temporary permits (of less than 6 months) to remain in the EU** as they wish to become EU status holders. In consultation with the expert panel, it was again concluded that the % increase in their number was too difficult to estimate, as it also depended on many other factors. They too, however, are also expected to make important contributions in terms of tax revenue, economic growth, consumption, productivity and remittances. The policy option is also expected to increase the potential for their socio-economic integration.

Unless mentioned otherwise, all economic impacts have been calculated over a period of 10 years, with the policy option and policy measure assessments presenting each time the total impact over that period. Details on the specific calculations and assumptions applied to estimate economic impacts are set out below, based on the supporting study of this Impact Assessment[164].

Estimation of tax revenue

Literature suggest that labour mobility may contribute to an increase in tax revenues, provided this is driven by the prospective of a higher income, which is a reasonable assumption considering the considerable wage differential to overcome all sort of

[163] Mack, M., Roeder, S., Marchand, K. and Siegel, M., 2020. Intra-EU migration: Shedding light on drivers, corridors and the relative importance of migrant characteristics. Maastricht Economic and Social Research Institute on Innovation and Technology (UNU-MERIT).

[164] ICF, Study in support of the Impact assessments on the revision of Directive 2003/109/EC and Directive 2011/98/EU, 2021.

obstacles to mobility.[165] [166] For the policy measures anticipating an increase in intra-EU mobility, the increase in tax revenue, has been calculated as follows:

Number of additional mobile EU LTR status holders * (EU average annual median disposable income + 10% wage increase due to the higher anticipated wages offered in the second Member State) * 9.6% which corresponds to the EU average % of taxes paid on gross income.

The panel of experts also considered this a reasonable approach, again considering the lack of any evidence. However, the estimate must be taken with caution because of the dispersion of data (e.g., 6% in Luxembourg compared to 14.7 in Hungary) and the final outcome of tax revenues depends on the pattern of sending/receiving countries. For example, if all the sending countries are close to the lowest (6%) and the opposite for the receiving, then the effect of tax revenues is higher than the average. Moreover, the EU average % of taxes on gross income is 9.6±0.9 (8.8 – 10.4).

For the policy measure which anticipates a higher share of students to come to the EU and a higher share of temporary permit holders to remain in the EU, the same calculation as above is performed, using the additional numbers of these two categories of third-country nationals instead.

The EU average annual median disposable income is taken from Eurostat (ICW_RES_02)

The average EU tax share is calculated based on Eurostat data (ICW_TAX_01)

Formula: [% of taxes paid on gross income] * [EU-average annual median income] * [% increase in income due to higher (new) wages] * [Number of additional TCNs]

Estimation of economic growth

Although difficult to estimate, the impact of higher intra-EU mobility of TCNs is expected to contribute to GDP due to a better functioning of labour markets and more efficient allocation of resources. It is fair to expect that skills mismatch and over-education will be mitigated.[167] For example, a JRC study estimates that the % increase in GDP from migration and mobility of refugees is estimated between 0.2% and 1.4% of GDP growth. Such estimate must be taken with caution in the context of this study because the type of migration under scope differs from the one in the present study. Yet, it offers an approximate idea of the positive nature of the expected economic impact.

Also, the positive effects on tax revenues and consumption produce a multiplier effect on income and GDP. Higher wages contribute to more purchase of goods and services and hence to production; even in the event of a small or modest effect, the impact is positive.

[165] De Wispelaere, F. and Jozef, P., 2019. The benefits of posting: Facts and figures on the use and impact of intra-EU posting. In Posted Work in the European Union (pp. 31-49). Routledge.

[166] De Wispelaere, F., 2018. Intra-EU Posting. Costs and benefits. In International Conference of Europeanists, Date: 2018/03/28-2018/03/30, Location: Chicago.

[167] Kancs, D. and Lecca, P., (2017) Long-term Social, Economic and Fiscal Effects of Immigration into the EU: The Role of the Integration Policy, JRC Working Papers in Economics and Finance, 2017/4, doi:10.2760/999095

Yet, these positive effects might be to some extent offset by remittances, which lead to financial outflows outside the EU.

For illustrative purpose, if growth in GDP is calculated as a one-off effect resulting directly from the increase in intra-EU mobility and/or increase in the number of third-country nationals coming to or staying in the EU, taking the EU-27 GDP based on Eurostat data (NAMA_10_GDP)[168] and a %0.8 increase in GDP resulting from TCNs migration and mobility, the impact on GDP could reach EUR 1.07 billion.

Estimation of productivity

The estimation of productivity remains qualitative given the limitations in data and uncertainty in the dynamics of impacts. The qualitative impact is based on the assumption, reviewed together with the expert panel, that third-country nationals who become intra-EU mobile, or who opt to come or remain in the EU, as per the various policy measures, will become more productive, as:

- Mobile EU LTR holders were previously over-qualified and are moving to the second Member State for a better job with higher wages.
- Third-country students are more attracted to the EU and will better integrate, leading to better jobs with higher wages once they finish studying.
- Third-country nationals with temporary permits will feel more inclined to remain in the EU and will better integrate, leading to better jobs with higher wages.

Estimation of consumption

The increase in consumption is calculated based on the assumption that third-country nationals who become intra-EU mobile, or who opt to come or remain in the EU as a result of the policy measures, will increase their wage by 10%, and that this increase in value will lead to an equivalent increase in their consumption (income elasticity = 1). The additional number of third-country nationals is thus multiplied by the average yearly household consumption in a selected number of Member States (see below) and by the 10% increase in consumption. The assumption that income elasticity of consumption is 1, that is, every additional EUR earned is consumed is based on fair assumption in the literature.[169] It means that as the migrants were coming from lower wages, they tended to consume on 'necessity' goods rather than on 'luxury' goods. As the increase in wages is still moderate (about 10%), it is fair to assume that some repressed consumption due to lower wages before migrating will recover but without changing to higher elasticity.

To estimate the impact on consumption, increase in yearly consumption is made using experimental Eurostat statistics on mean and median economic resources of households by income, consumption and wealth quantiles - experimental statistics [icw_res_02]. The average median household consumption for those countries which are expected to receive

[168] EU-27 GDP at current prices (2020)

[169] Borjas, G.J., 2013. The analytics of the wage effect of immigration. IZA Journal of Migration 2, 22.. doi:10.1186/2193-9039-2-22

most third-country nationals (AT, BE, CY, CZ, DE, FI, FR, IT, LV, LU, MT, NL, PT, RO, SI, and SK) has been calculated.

Formula: [yearly consumption per household] *[Number of additional TCNs] * [% increase in consumption due to higher (new) wages]

Estimation of remittances

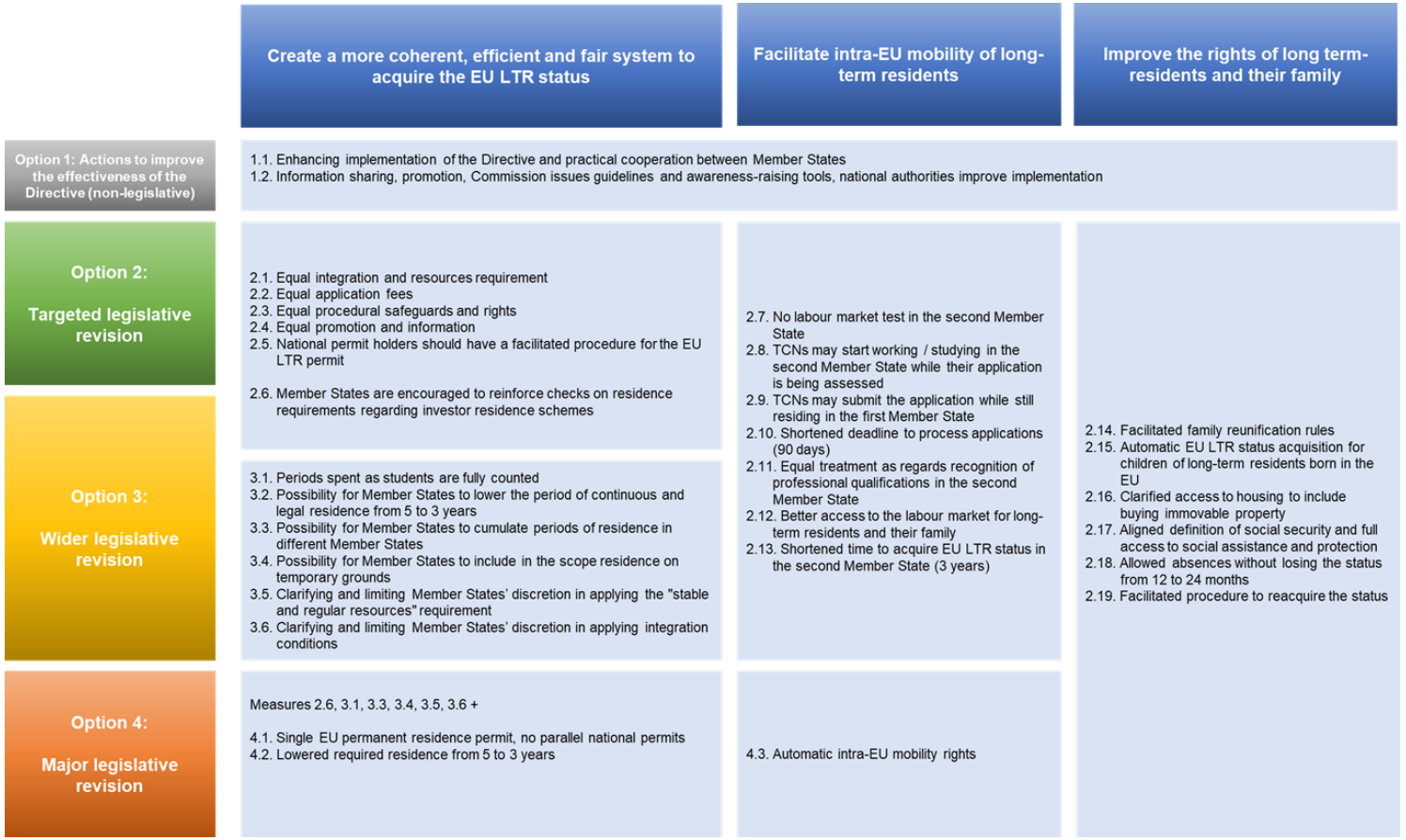
The increase in remittances is calculated by multiplying the average share of income which third-country nationals send home, estimated at 15%, with the EU average annual median income, and by the number of additional third-country nationals who become mobile, or come / remain in the EU. This estimate must be taken with caution because it is based on a world-wide sample and the patterns of remittances may vary remarkably across continents and type of migrants.

The share of remittances is taken from a UN online publication, Remittances matter: 8 facts you don't know about the money migrants send back home. It represents a global, not EU-specific share.

Formula: [proportion of income sent as remittances]*[EU-average annual median income]*[Number of additional TCNs

ANNEX 5: DETAILED ASSESSMENT OF POLICY MEASURES

This Annex provides the detailed assessment of each policy measures included in the four Policy Options considered for this Impact Assessment. Each policy measure is assessed against the standard criteria for impact assessment (social, economic and environmental impacts and impacts on fundamental rights) and the policy objectives. Where it was feasible, the assessment also includes a quantification and/or description of the costs of each measure, as well as the economic impacts (while the methodology used for the calculation of costs, the assumptions made, and the detailed calculations are presented in annex 4).



1.1 Policy option 1 – Actions to improve the effectiveness of the Directive (non-legislative option)

Policy measure 1.1: The Commission enhances the implementation of the Directive and supports further practical cooperation between Member States.

Assessment criterion	***Assessment***
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	The 2019 implementation report as well as members of several of the stakeholder groups consulted for the purpose of this impact assessment, all confirm that there is an overall lack of information among national administrations and TCNs on the functioning of the EU LTR status.[170] This statement is also confirmed by the initial findings shared by FRA from the ongoing study on the Fundamental Rights of LTR status holders. Some representatives of civil society expressed concerns that a legislative revision of the Directive could result in the adoption of more restrictive measures potentially leading to further restrictions in the rights of EU LTR permit holders. In their view, enhancing the implementation of the Directive through soft measures such as supporting practical cooperation and exchange of information between Member States or improving the infringement procedures, could improve some of the issues reported in the 2019 Implementation report of the Commission.[171] Under this policy measure, the European Commission would seek to improve the implementation of the Directive by providing training materials to national authorities on the implementation of the EU LTRD. This would contribute to a more level-playing field between the EU and national LTR schemes in the 21 Member States having parallel schemes in place[172], as it will improve the knowledge of national administrations on the functioning and practical implementation of the LTRD, making it more equal to their knowledge on the national schemes. Furthermore, the Commission will compile and share best practice examples from Member States which provide detailed, clear and easily accessible information to TCNs on, for example, the permit fees, procedures and conditions needed to be able to apply for the EU LTR status.

[170] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021; Fifth meeting of the informal Expert Group on Economic Migration, 14 April 2021; Consultation with representatives of Civil Society, 20 April 2021; Second meeting of the EU legal migration practitioner's network, 29 April 2021; Consultation with the Economic and Social Partners, 5 May 2021

[171] Consultation with representatives of Civil Society, 20 April 2021

[172] BE, BG, CZ, CY, DE, EE, EL, ES, FI, FR, HR, HU, IT, LT, LV, NL, PL, PT, SE, SI, SK.

Assessment criterion	*Assessment*
Objective 2 Facilitate the intra-EU mobility	With the enhanced implementation of the Directive, trainings and sharing of best practices, national authorities will be more aware of procedures and conditions regarding the EU LTR status and the modalities of intra-EU mobility. Thus, this measure might have a potential indirect positive effect on this objective. However, the effect on this objective will be limited as the measure is non-binding and the conditions and requirements to move to another Member State will remain unchanged.
Objective 3 Improve the rights of long term-residents and their family	An enhanced implementation of the Directive as well as sharing best practices amongst Member States will have the effect of strengthening legal certainty regarding the rights EU LTRs can claim as well as clarifying the procedure for prospective EU LTR applicants. The effect on this objective will be minor due to the non-binding nature of the measure.
Impacts	
Social impacts	**Third-country nationals** TCNs will benefit from a better implementation of the Directive, in particular in Member States where a bad implementation of the Directive has been reported by the 2019 Implementation Report. The increased knowledge of national authorities and public administrations regarding the functioning of the EU LTR status will allow potential EU LTR applicants to make an informed choice between national and EU schemes. This measure could also have a positive effect on the integration of TCNs in their host country, although not possible to quantify. **EU workers** This measure is not expected to lead to any significant social impacts on EU workers. **National authorities** The enhanced implementation of the Directive as well as the exchange of best practices between Member States could have an effect of increasing the attractiveness of the EU status and leading to a higher demand for the latter. This measure is unlikely to lead to a net increase in overall LTR applications and would mostly involve a "displacement" of applications for the national LTR scheme to the EU LTR. National authorities willing to follow this measure would incur some administrative and compliance costs related to the transposition, alignment of procedures, guidance and training, monitoring and reporting foreseen by this measure. **Legal practitioners**

Assessment criterion	*Assessment*
	The enhanced implementation of the Directive as well as better certainty on the application procedure for the EU LTR permit may result in a minor reduced dependency on legal practitioners. However, the effects of the measure will depend on the will of Member States to implement the guidelines and recommendations. **Businesses/employers** The slight potential increase in the number of EU LTR permits issued could have a minor positive effect on employers and business employing or interested in employing EU LTR permit holders as well as on the potentially mobile labour force. **Third countries** The possible increase in the number of EU LTR permits issued could in turn result in a minor loss of human capital and labour force in third countries. However, there may be other positive factors at play such as remittance flows and possibilities for circular migration promoting skills transfers. Nonetheless, a non-binding provision on information alone can only have a very limited effect on this category of stakeholders.
Economic impacts	The potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead. As a qualitative assessment, no tangible economic impacts have been identified for this measure.
Environmental impacts	This type of impact is unlikely to take place.
Fundamental rights	A better implementation of the Directive and the sharing of good practices between Member States is likely to have a positive effect on the enjoyment by EU LTRs of the rights granted by the EU status, in particular the rights to family and professional life (Article 33 of the EU Charter of Fundamental Rights).
Costs	
Administrative and compliance costs	This measure, in combination with policy measure 1.2 (below) will entail low administrative costs for the European Commission and for Member States (per average yearly cost). These costs are estimated as follows (per average yearly cost): European Commission • Administrative costs for the provision of training and guidelines to national authorities: 4,909 euro

Assessment criterion	*Assessment*
	National authorities • Administrative and compliance costs: 248,710 euro
Simplification	This measure, in combination with measure 1.2 (below), is expected to lead to cost savings for TCNs resulting from the provision of additional information on the EU LTR status and greater awareness of the relevant procedures for the acquisition of the permit. However, these savings cannot be quantified as the measures included are not binding, and may be implemented in varying ways.
Overall assessment	
This policy measure will contribute positively to a better implementation of the Directive. National authorities will have a better understanding of the functioning of the EU LTR status, which is likely to reduce issues related to a wrong or a lack of implementation of the Directive. While this could result in increasing the attractiveness of the EU LTR and strengthening the rights of EU LTR permit holders and their family members, any effect will be fully dependent on Member States' willingness to implement this non-legislative policy measure.	

Policy measure 1.2: EU and Member States increase the visibility of the EU LTR status through information sharing, promotion, and advertisement activities.

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	As mentioned under policy measure 1.1, the 2019 implementation report, members of several of the stakeholder groups consulted for the purpose of the impact assessment as well as the initial findings shared by FRA from the ongoing study on the Fundamental Rights of LTR status holders, all confirm that there is an overall lack of information among national administrations and on the functioning of the EU LTR status.[173] EU legal migration practitioners shared that often national authorities do not understand the EU LTR scheme and its difference with the national

[173] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021; Fifth meeting of the informal Expert Group on Economic Migration, 14 April 2021; Consultation with representatives of Civil Society, 20 April 2021; Second meeting of the EU legal migration practitioner's network, 29 April 2021; Consultation with the Economic and Social Partners, 5 May 2021

Assessment criterion	*Assessment*
	LTR status, which limits their ability to provide explanations to potential applicants.[174] Member States would also be encouraged to increase the visibility of the EU LTR status through promotion and advertisement activities, such as the printing of brochures shared across immigration offices and municipalities, and the organisation of information days, where applicants are encouraged to ask questions to authorities and legal experts. Members of the Commission Expert Group on the Views of Migrants suggested that information regarding the LTR permit could be provided as part of "integration courses" when implemented by Member States or when TCNs are renewing their national residence permits.[175] The Commission would issue non-binding guidelines (on, for example, the type of information which should be provided on national websites, how it should be presented, and the minimum number of languages in which information should be provided), this could improve the situation in several Member States which do not have a dedicated information strategy on the EU status[176], or do not have any specific information tools in place for prospective applicants (France, Estonia, Latvia, Lithuania and the Netherlands).[177] Moreover, this policy measure will have a positive effect on the visibility and availability of information on the EU LTR status, both for Member States national authorities and TCNs. This would in turn bring more clarity on the conditions and procedure to acquire the EU LTR status. The effect on this objective is expected to be moderate, bearing in mind that this measure is non-binding. Furthermore, it would have no direct effect on facilitating the conditions to acquire the EU LTR status, as other conditions and requirements for acquirement of the EU LTR status would remain unchanged.
Objective 2 Facilitate the intra-EU mobility	Members of the Commission Expert Group on the Views of Migrants suggested that promotional activities which Member States would be encouraged to conduct could include the promotion of the EU LTR status' intra-EU mobility advantages and modalities.[178] TCNs would as a result be better informed about the facilitation of intra-EU mobility and may, if they apply for this status, be more inclined to become mobile.

[174] Second meeting of the EU legal migration practitioner's network, 29 April 2021
[175] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021
[176] Eight MS have such strategy in place: BG, DE, HR, IE, IT, LU, PL, SE
[177] 14 MS have tools in place to promote the EU LTR status: BE, CY, CZ, DE, EL, ES, FI, HR, HU, IT, LU, MT, PT, SE, SI, SK.
[178] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021.

Assessment criterion	*Assessment*
	The indirect effect on better information is expected to be limited, given the non-binding nature of the policy measure and no direct effect would occur in facilitating intra EU-mobility, as other barriers limiting intra-EU mobility for mobile TCNs would remain unchanged.
Objective 3 Improve the rights of long term-residents and their family	A minor positive effect on this objective can be expected in Member States willing to implement this measure. Indeed, improving the visibility and the knowledge of national authorities and TCNs regarding the EU LTR status will increase the awareness of EU LTR applicants, EU LTR holders and their family members regarding the rights granted by the EU status.
Impacts	
Social impacts	Different social impacts have been considered based on the effect chains above, on different stakeholder categories, including: **Third-country nationals** In Member States which currently do not provide sufficient information on the EU LTR status (at least five, including France, Estonia, Latvia, Lithuania and the Netherlands), TCNs will become more aware of the rights and conditions attached to the EU LTR status as well as the existing differences in benefits between national and EU LTR schemes. This could also have a positive impact on their integration in their host country. Moreover, the improved level of information foreseen under this policy measure could also lead to a cost savings for TCNs who might be able to rely less on legal services to support their application for the EU LTR permit. **EU workers** This policy measure is not expected to lead to any significant social impacts on EU workers. **National authorities** The increase of information and promotion regarding the EU LTR status may have a positive impact on the number of applications for the EU permit, but this would mainly entail a "displacement" of applications for the national LTR schemes to the EU LTR scheme. National authorities in MS willing to implement this policy measure will incur some administrative and compliance costs related to promotion and advertisement activities, information sharing and trainings to follow guidelines. **Legal practitioners**

Assessment criterion	*Assessment*
	This measure does not set minimum standards as to the kind and level of information that should be provided, which will ultimately depend on the willingness of Member States to implement this measure. **Businesses/employers** This measure would increase the awareness of employers regarding the EU LTR status. Businesses and employers hiring or interested in hiring EU LTR holders will have access to an enhanced level of information and clarity on the functioning of the EU LTR status and the intra-EU mobility options. Additionally, the potential increase in the number of EU LTR permits issued as a result of this measure could help employers and businesses in having access to a larger pool of qualified and potentially mobile TCNs with a long-term residence status and fill labour shortages. **Third countries** The provision of information is likely to contribute to a better understanding of the application procedure and rights associated with the EU LTR permit, with possibly a minor positive effect on the attractiveness of the EU as a destination. This could in turn result in a minor loss of human capital and labour force in third countries. However, a non-binding provision on information alone can only have a very limited effect on this category of stakeholders.
Economic impacts	The potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead.
Environmental impacts	This type of impact is unlikely to take place.
Fundamental rights	A better level and quality of information and promotion of the EU LTR status is likely to have a positive effect on the enjoyment of the rights attached to this status for EU LTRs and prospective applicants, in particular regarding the rights to family and professional life (Article 33 of the EU Charter of Fundamental Rights) and freedom of movement and of residence (Article 45).
Costs	
Administrative and compliance costs	This measure, in combination with policy measure 1.1 (above) will entail low administrative costs for the European Commission and for Member States. These costs are estimated as follows (per average yearly cost): European Commission

Assessment criterion	*Assessment*
	• Administrative costs for the provision of training and guidelines to national authorities: 4,909 euro. National authorities • Administrative and compliance costs: 248,710 euro.
Simplification	This measure, in combination with measure 1.1 (above), is expected to lead to cost savings for TCNs resulting from the provision of additional information on the EU LTR status and greater awareness of the relevant procedures for the acquisition of the permit. However, these savings cannot be quantified as the measures included are not binding, and may be implemented in varying ways.
Overall assessment	
This policy measure will contribute positively to the visibility and understanding of the EU LTR status for MS national authorities, EU LTR permit holders and potential EU LTR applicants. While this could result in increasing the attractiveness and uptake of the EU LTR permit, any effect will be fully dependent on Member States' willingness to implement this non-legislative policy measure.	

1.2 Policy option 2 – Targeted legislative revision of the Directive

This sub-section presents the assessment of measures foreseen as part of the policy option 2 aiming at a targeted legislative revision of the Directive.

1.2.1 Policy Measures relating to introducing a level-playing field

Policy Measure 2.1: Integration and resources requirements for acquiring the EU status are not stricter than the requirements to acquire the national status

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU	Article 5 establishes the conditions for acquiring EU LTR status, including "stable and regular resources" which are sufficient to maintain himself/herself and the members of his/her family without recourse to the social assistance system (Article 5 (1)(a)) and allows Member States to

Assessment criterion	*Assessment*
LTR status	impose integration requirements in accordance with national law (Article 5 (2)), which half of Member States opt for.[179] In conjunction with this, Article 13 of the EU LTRD provides that national LTR schemes may run in parallel to the EU LTR but may not offer more favourable conditions. Currently, there are 21 Member States that have national LTR schemes, which would be impacted by this measure.[180] Nevertheless, members of the expert panel noted that in some national contexts, the integration and resources requirements for EU LTR applicants are more stringent than for national LTR applicants. Indeed, initial findings of the ongoing FRA study on the Fundamental Rights of LTR status holders find that across Germany, Italy and Poland the requirements for EU LTR applicants regarding integration (across all three) and for stable and regular income (for Italy and Poland) are more restrictive than those laid out in the EU LTRD.[181] For instance, in Italy some migration authorities require applicants to fulfil the resources requirement even when renewing their EU LTR permit, and even at the first application the regular and stable income is checked for three years prior to the application. In conjunction with this, members of the expert panel note that Member States tend to prefer their national LTR schemes, which could point to why in some cases EU LTR integration and resources are more stringent. This discretion regarding these two requirements in Article 5 of the EU LTRD was addressed in respective CJEU rulings: for "stable and regular" resources the CJEU 2010 *Chakroun* ruling[182] and the 2015 *P&S* ruling[183]. Nonetheless, members of the expert panel noted that, in addition to these clarifications, a revised EU LTRD must specify that the integration conditions and resources for the EU LTR must be similar or less than those asked through national permits, never exceeding them. Therefore, this measure will make a critical contribution to ensuring a level playing field between the integration and resources conditions of EU LTR and national schemes. In addition, this measure could facilitate the conditions to acquire EU LTR status in the Member States where the

[179] DE, EL, HR, IT, NO, NL, PT – EMN (2016) Ad Hoc Query 2016.2013 on the period of validity of residence permits granted to third country nationals (update to GR EMN NCP Ad-Hoc Query on Duration of Residence Permits).

[180] BE, BG, CZ, CY, DE, EE, EL, ES, FI, FR, HR, HU, IT, LT, LV, NL, PL, PT, SE, SI, SK - EMN (2016) Ad Hoc Query 2016.2013 on the period of validity of residence permits granted to third country nationals (update to GR EMN NCP Ad-Hoc Query on Duration of Residence Permits).

[181] Initial findings shared by FRA from the ongoing study on the Fundamental Rights of Long-term residence status holders, p.8

[182] CJEU (2010), C-578/08, *Chakroun* ; CJEU (2019), C-302-18, *X. / Belgium*

[183] CJEU (2015), C-579/13, P and S

Assessment criterion	*Assessment*
	conditions are more restrictive than stipulated in the Directive and national LTR schemes.
Objective 2 Facilitate the intra-EU mobility	This measure will contribute to this objective as these integration and resources requirements may also be a condition to move to a second Member State. Whilst Member States cannot ask EU LTR holders to comply with this again if they have already done so in the first Member State, at least four of them still require long-term residents to pass an integration test.[184] This points to a second layer of Member States' discretion and more restrictive integration requirements that may pose a barrier to TCNs taking advantage of their intra-EU mobility.
Objective 3 Improve the rights of long term-residents and their family	This policy measure will have a positive impact on this objective, by potentially leading to more TCNs being eligible for EU LTR status, and thus enjoying the rights intrinsic to it. In fact, by facilitating the conditions to acquire EU LTR status in Member States where these conditions are more restrictive than the Directive and their national LTR schemes, more TCNs may become eligible for EU LTR status or may more swiftly be able to acquire it. In consequence, more TCNs will be in a position to acquire EU LTR status, so them and their family members may enjoy the rights that come with it.
Impacts	
Social impacts	**Third-country nationals** The introduction of this measure will bring more clarity for TCNs wishing to apply for long-term residence across the EU as to what the conditions are, as they will be more uniform across national LTR schemes and EU LTR in different Member States. This will thus diminish any unfair treatment for differing integration and resource requirements that are drastically more restrictive. Additionally, for the Member States where these requirements are significantly more restrictive than the Directive and national LTR schemes, this measure will facilitate the ability for TCNs to obtain EU LTR status by reducing this additional restriction.

[184] AT, DE, FR, LV - Bocker, A., Strik, T., (2011). Language and Knowledge Tests for Permanent Residence Rights: Help or Hindrance for Integration?. European Journal of Migration and Law. 13. P 179

Assessment criterion	*Assessment*
	National authorities This measure will impact the national authorities from the 21 Member States that have national LTR schemes the most.[185] As mentioned before, Member States tend to prefer national LTR schemes and therefore this measure may face some national resistance. The changes to be introduced at national level will be minimal, mostly relating to internal procedures (e.g. altering guidelines and training) to ensure they are better aligned with the Directive and equal or more favourable to their national LTR scheme. **Legal practitioners/judiciary** This measure will simplify the work of legal practitioners supporting EU LTR applicants, as the integration and resource requirements will be more uniform across EU Member States and between EU and national LTR schemes. **Businesses/Employers** As per objective 1, this measure may contribute to more TCNs being eligible or attracted to becoming EU LTR holders. This potential increase in EU LTR holders means that employers and businesses will have access to a larger pool of qualified EU LTR holders. **Third countries** No specific impact on third countries identified.
Economic impacts	The potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead. Nevertheless, a qualitative assessment points to the fact that a minimal positive economic effect could be anticipated, as TCNs who previously could not qualify for EU LTR status would now be able to access it. This facilitated access to EU LTR status will mean more TCNs with unlimited access to the labour market, which could bring greater economic stability to these LTRs and in turn allow them to contribute to the economy of the MS.
Environmental impacts	No specific impacts on environmental impacts identified.

[185] BE, BG, CZ, CY, DE, EE, EL, ES, FI, FR, HR, HU, IT, LT, LV, NL, PL, PT, SE, SI, SK - EMN (2016) Ad Hoc Query 2016.2013 on the period of validity of residence permits granted to third country nationals (update to GR EMN NCP Ad-Hoc Query on Duration of Residence Permits).

Assessment criterion	*Assessment*
Fundamental rights	This measure will ensure that the EU LTRD sets minimum standards for integration and resource requirements, thus ensuring fair treatment and reducing discrimination (Article 21 of the EU Charter of fundamental rights).
Costs	
Administrative and compliance costs	This measure will only impact European Commission officials in making this clarification in the revised text of the EU LTRD. Overall, the costs resulting from this measure alone for the Commission are estimated at 2,455 euro (per average yearly cost).
Simplification	This measure foresees significant simplification, as it will ensure a more uniform understandings of "stable and regular resources" and "integration conditions". It will bring these requirements closer between EU LTR provisions across the EU (by reducing Member States' discretion) as well as with national LTR schemes. This will mean that national authorities will have less varied applications to review, and TCNs and their legal advisors less complex differing conditions to familiarise themselves with. Due to the variety of factors at play, it will not be possible to quantity the cost savings resulting from this simplification
Overall assessment	
Overall, this policy measure will make a significant contribution to levelling the playing field across Member States regarding the EU and national LTR schemes. Whilst it will primarily impact the 21 Member States that have national LTR schemes, and national authorities may pose some resistance due to their preference for the latter, it poses negligible administrative and compliance costs. This measure will bring positive contributions across the majority of the policy objectives, and most significantly positively impact TCNs, their legal advisers, as it will provide both with clearer and more facilitated conditions. Employers and businesses may also reap benefits from the introduction of this measure as facilitated conditions may mean a slight increase in potentially hire highly skilled TCNs.	

Policy Measure 2.2: Applicants for EU LTR permits pay the same level of fees for the handling of their application as applicants for national permits

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More	Currently, all Member States, except for Austria, Italy, Luxembourg and

Assessment criterion	*Assessment*
coherent, efficient and fair system to acquire the EU LTR status	Romania, operate parallel national schemes, as allowed by Article 13 of the LTRD. The Directive does not prescribe a specific nor a range of application fees, either for the EU permit or the national one, the only clarification on application fees for EU permits stems from the CJEU case law. In line with this approach, this measure does not aim to prescribe an exact application fee – determined by other factors explaining differences in fees across Member States (such as national income level) – but aims to streamline application fees for the EU and national permit at national level. A preliminary assessment of available data[186] shows that in most Member States that operate national permits, same or very similar fees are applied to EU and national LTR permits. To date, notable differences between application fees for EU and national LTR (or equivalent) permits were noted in Bulgaria and Cyprus.[187] This measure would align the application fees for EU LTR and national LTR permits, ensuring that fees for EU LTR permits are not higher than the fees for national permits and that where EU LTR fees are lower than the national equivalent, they may remain the same. To the extent that the payment of application fees is only one of the conditions to obtain a long-term residence status,[188] aligning application fees for both types of permits would create the conditions for a reduced risk of competition between national and EU permits. By clarifying this aspect of the application process, this measure will contribute to improving the level-playing field between EU and national LTR schemes, to the attractiveness of the EU permit, and to facilitate the conditions to acquire the EU LTR status.
Objective 2 Facilitate the intra-EU mobility	This measure could have a limited positive impact on intra-EU mobility, as the harmonisation of national and EU LTR permit fees could be an additional incentive for TCNs to apply for the EU LTR status, which in turn would facilitate their intra-EU mobility.
Objective 3 Improve the rights	No effect on this policy objective.

[186] Fitness Check of EU Legal migration Directives, Task II (Phase 3) and EMN 2016 (#1000) AHQ on national residence permits of permanent or unlimited validity (Question 3).

[187] In Bulgaria, application fees for EU LTR status is approx. EUR 110 and approx. EUR 60 for national permits. In Cyprus, the opposite trend was noted with an amount of EUR 30 EUR for EU LTR applications and EUR 500 fees for national permit applications.

[188] For example, consultations with legal practitioners (29 April 2021) highlighted that other differences between EU and national statuses play a bigger role in the attractiveness of national permits compared to EU LTR permits (e.g. periods of legal stay and resources requirements).

Assessment criterion	*Assessment*
of long term-residents and their family	
Impacts	
Social impacts	**Third-country nationals** This measure will bring certain positive impacts for third-country nationals. However, preliminary findings from a FRA study suggest that TCNs would not necessarily always choose a cheaper permit over a more expensive one if the requirements for this permit are more difficult to meet than for the more expensive alternative. For instance, in Germany where the national LTR is more expensive than the EU LTR permit, in 2019, 2,3 million national permits were issued compared to only 13,2 thousand EU permits.[189] Application fees could play a role in the application process or choice of applicants for a specific permit but to a large extent, applicant's choice of permit is not driven by differences in application fees.[190] In those Member States applying higher application fees for EU LTR permits than for national permits, third-country nationals could potentially be deterred from applying for an EU permit. In Member States where this is the case, the attractiveness of EU LTR permit would be somewhat increased if the (higher) fees for the EU permits are aligned with the (lower) fees for national permits. Indeed, where application fees for EU permits would be aligned downwards then this measure would bring cost savings to those applicants. **National authorities** From a practical and operational perspective, this measure would imply changes only in few Member States, namely in those charging different application fees. Implementing changes would likely require amending national legislation and provisions. So far, according to the initial findings of the ongoing FRA study on the Fundamental Rights of LTR status holders, the application fees were mentioned as a potential barrier only in Portugal. **Legal practitioners/judiciary** This measure will yield positive effects for legal practitioners providing advice to third-country nationals. It will bring further clarity in the implementation of national legislation and thus allow legal practitioners

[189] Initial findings shared by FRA from the ongoing study on the Fundamental Rights of Long-term residence status holders, p.8

[190] Second meeting of the EU legal migration practitioners network, 29 April 2021

Assessment criterion	*Assessment*
	to provide better counselling and contribute to an effective implementation of the Directive. **Employers/Businesses** This measure could have a small positive effect on this stakeholder group, if the lowering of the fees for EU LTR permits results in an increase in TCNs applying for the EU permit, which in turn may make them more attractive for employers with labour shortages in other Member States, as their intra-EU mobility would be facilitated. However, it remains to be determined to what extent the current EU LTR permit fees might be acting as a deterrent and therefore an obstacle for potential TCNs who would otherwise wish to work in the EU. **Third countries** (including negative effects such as brain drain) No specific social impacts identified for this stakeholder group.
Economic impacts	In those MS implementing different application fees between EU and national LTR permits, this policy measure is assumed to overall lead to a reduction in revenue to the MS, as in most cases MS would need to lower the fee for the EU LTR status. The scale of the impact is driven by the number of national LTR and EU permits issued (and expected to be issued) in those MS and the type of alignment to the EU LTR permit application fees (downwards or upwards). While some MS may have several types of national permits (e.g. applicable also to minors, beneficiaries of international protection, family members), and charge different fees in case of renewal of permits, it will not be possible to take these differences into account. Nonetheless, the direct impacts (or losses in this case) of this measure on the economies of the affected MS are expected to be mitigated by the fact that some of the money not spent by TCNs on the permit fees is likely to be spent in the territory of the Member States to which the TCN applied for a permit and will therefore be reinvested in the economy. Overall, these effects are likely to have only a marginal impact on the legal migration to the EU as a whole. In terms of wider economic impact, the increased attractiveness of the EU LTR permit will likely lead to an increased number of permits issued which could in turn participate in a better allocation of labour demand and supply and reducing unemployment in some countries where there are skill shortages. Overall, as stated above, due to the variety of factors at play, the potential economic impacts of this measure will not be possible to quantify, but they have been estimated at the aggregate level of the policy options

Assessment criterion	*Assessment*
	instead.
Environmental impacts	No specific impacts on environmental impacts identified.
Fundamental rights	No specific fundamental rights impacts identified.
Costs	
Administrative and compliance costs	In addition to some administrative costs to take account for the legal change, Member States operating different application fees between EU and national permits will also incur some compliance costs, linked to the need to align the fees that they charge to the two groups (BG, CY, PL, PT). These could include costs for preparing updated guidance and potential training costs to caseworkers handling applications for EU and national LTR permits, as well as costs related to providing information on updated fees (e.g. on websites or other media to circulate information). The European Commission will also face costs relating to implementing and communicating the changes to the Directive. Overall, the costs resulting from this measure for the Commission are estimated at 2,455 euro (per average yearly cost). The costs for MS national authorities are estimated at 59,375 euro.
Simplification	This measure will result in alignment between the fees charged for the two statuses, which will contribute to some degree of simplification. In addition, lower EU LTR fees will result in cost savings for TCNs estimated at 64,471euro per average yearly cost.
Overall assessment	
This measure will bring positive changes to third-country nationals who will benefit from additional clarity and legal certainty in the application process for LTR status. The measure will affect those Member States which apply different application fees. Overall, this measure contributes to streamlining procedural differences and risks of competition between EU and national LTR statuses. In terms of costs, this measure will have some minor administrative and compliance costs for MS national authorities while for TCNs, it will result in cost savings where the EU LTR permit is currently more expensive.	

Policy Measure 2.3: Holders of EU LTR status do not enjoy a lower level of procedural safeguards and rights than holders of national residence permits

Assessment criterion	***Assessment***
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	According to Article 10 of the Directive, reasons must be given for any decision rejecting an application for the EU LTR status or withdrawing the status. Such decision must be notified to the TCN according to the notification procedures set out in relevant national legislation. The notification must also specify the redress procedures available as well as the time in which a TCN may act. The Article provides further that TCNs have the right to mount a legal challenge in cases where an application to the EU LTR is rejected, the status withdrawn or lost and when the permit is not renewed. No implementation issues with regards to this provision were reported in the 2019 implementation report beside an infringement procedure launched against Romania. The Fitness Check on legal migration provided that all MS have appeal procedures in place in case of negative decisions but that there are some concerns regarding the overall effectiveness of the appeal procedure.[191] In some MS, due to the length and the cost of the procedure, applicants would rather lodge a new application than submitting an appeal.[192] Moreover, only three Member States were considered to provide sufficient information to applicants on the appeal process against a negative decision.[193] It was also reported during one of the targeted consultations that in France the large level of discretion left to national authorities when assessing applications for the EU long-term residence status is an issue.[194] The EU legal migration practitioners' network also mentioned that, in their view, in France it is much easier to acquire the national status, since appealing any negative decisions on the national status usually leads to the long-term residence permit being granted, however, appeals to negative decisions relating to the EU status will likely result in the negative decision being upheld. Considering that the provisions under Article 10 are covered by the EU Charter of Fundamental Rights, procedural safeguards and rights should in principle be aligned between the EU and national permits.[195] However, ensuring that procedural safeguards and rights are equally implemented

[191] European Commission (2019) 1055 final, Legal Migration Fitness Check, Annex 2A, Evidence base for practical implementation of the legal migration directives, p.50
[192] AT, BE, FI.
[193] PL, RO, SE.
[194] Second meeting of the EU legal migration practitioners network, 29 April 2021
[195] Charter of Fundamental Rights of the European Union: Article 41(2) regarding the obligation of the administration to give reasons for its decisions and under Article 47 related to the Right to an effective remedy and to a fair trial.

Assessment criterion	*Assessment*
	in practice can have a positive effect in providing TCNs applicants with legal certainty concerning the processing of their applications. This could concern the availability of information concerning the redress procedures, the time allowed to submit a legal challenge, the amount of time allowed to submit missing documentary evidence, the accessibility of information concerning the procedure. Possible existing differences between the EU and national permits could be addressed by introducing a similar provision to the one included under Article 16(7) of the compromise text of the Blue Card Directive (BCD). This would mean adding an alignment provision according to which, in cases where MS have national schemes, they shall grant EU LTR permit holders the same equal treatment rights as the ones granted to holders of national LTR permits, where these rights are more favourable than those provided for in the Directive. For this measure, it would mean that the procedural safeguards and rights provided in the LTRD will be aligned with any procedural safeguards existing for national permits that are more favourable than the ones laid down in the LTRD.
Objective 2 Facilitate the intra-EU mobility	No effect on this policy objective.
Objective 3 Improve the rights of long term-residents and their family	This measure will ensure that procedural safeguards and rights are equally implemented for EU LTR applicants and national permits applicants. In Member States where differences exist in the level of procedural safeguards and rights between the two permits, the measure will improve the rights of prospective EU LTR applicants.
Impacts	
Social impacts	**Third-country nationals** This measure will ensure that applicants to the EU LTR status will benefit from the same procedural safeguards as for an application to national residence permits. This will provide TCNs with more legal certainty with regard to the proceedings and outcome of their application to the EU LTR status. **National authorities** This measure would lead national authorities to ensure that there is no difference in the implementation of procedural safeguards and rights between applications for national permanent residence and EU permits. **Legal practitioners/judiciary**

Assessment criterion	*Assessment*
	This measure will simplify legal counsel regarding the application procedure for the EU LTR. Judiciary authorities will have to ensure that procedural safeguards and rights are aligned regarding redress procedures and legal challenges against negative decisions. **Employers/Businesses** No specific impact identified on employers and businesses. **Third countries** No specific impact identified on third countries.
Economic impacts	The potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead. In qualitative terms, this measure is not expected to have significant economic impacts. Any effect on the number of EU LTR permits issued will be minor and not be possible to quantify.
Environmental impacts	No specific impact identified.
Fundamental rights	This measure could have the effect of giving more specific attention to procedural rights which may result in strengthening the fundamental rights regarding the obligation of the administration to give reasons for its decisions and the right to an effective remedy and to a fair trial.
Costs	
Administrative and compliance costs	This measure will primarily impact national authorities, introducing administrative and compliance costs. These costs are estimated as follows (per average yearly cost): European Commission • Administrative costs for implementing and communicating the change: 3,273 euro Member States' national authorities • Administrative and compliance costs: 149,900 euro
Simplification	Some simplification will be introduced as national authorities will offer the same safeguards rather than – where relevant – different ones depending on the TCN addressed. However, it will not be possible to quantify the cost savings resulting from this.

Assessment criterion	*Assessment*
Overall assessment	
Overall, ensuring that procedural safeguards and rights are equally implemented in practice can have a positive effect in providing more legal certainty concerning the application process for EU LTR status. This measure will result in moderate administrative and compliance costs for Member States and marginal cost for the European Commission.	

Policy Measure 2.4: The EU LTR status benefits from the same level of information, promotion and advertising activities as the national residence permits, for example through ensuring adequate information on the national websites on legal migration, information campaigns and training programmes for the migration authorities

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	The lack of information or awareness about the LTRD and its benefits is seen by a majority of stakeholders as one of the main reasons of the under-used of the EU LTR status.[196] The measure would align the provision of information on the EU LTR status with what is currently provided on the national LTR status, thus creating a greater level-playing field between the two schemes in particular in those Member States which currently do not have a dedicated information strategy on the EU status,[197] or which do not have any specific information tools in place[198] (France, Estonia, Latvia, Lithuania, The Netherlands). Member States which do not have a national equivalent status would not need to undertake any additional action (Austria, Italy, Luxembourg, and Romania, as indicated in the 2019 implementation report). Since the 2019 implementation report also identified a lack of information among national administrations on the functioning of the EU LTR status and LTRD, this measure could also

[196] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021; Fifth meeting of the Informal Expert Group on Economic Migration, 14 April 2021; Consultation with representatives of Civil Society, 20 April 2021; Consultation with the Economic and Social Partners, 5 May 2021; Consultation of the European Network of the Public Employment Services, 10 March 2021; Consultation with the Legal Migration Contact Group, 18 May 2021; Second meeting of the EU legal migration practitioners network, 29 April 2021. Only two MS disagreed within the Consultation with the Contact Group on Legal Migration (CZ, HU).

[197] Eight MS have such strategy in place: BG, DE, HR, IE, IT, LU, PL, SE.

[198] 14 MS have tools in place to promote the EU LTR status: BE, CY, CZ, DE, EL, ES, FI, HR, HU, IT, LU, MT, PT, SE, SI, SK.

Assessment criterion	*Assessment*
	include the provision of training to key administrative case officers at national level. However, by only requiring MS to align their communication and information efforts on the two schemes, the measure does not set any minimum standards as to the kind of information which has to be provided (on both LTR schemes) or how the information should be provided. This may imply that in some Member States, TCNs would receive insufficient information on both types of statuses, which would still hamper their ability to make a well-informed choice. The provision of implementation guidelines specifying the type of information which should be provided on the websites of national authorities, and minimum number of languages in which the information should be made available, would help to address this issue. In addition, good practices could be included as examples (e.g. links to the websites of LU and NL national authorities). Several suggestions to improve the level of information and awareness about the EU LTR status were made during consultations with stakeholders, such as: - Technical support or training for relevant authorities and administrative workers. - Awareness-raising campaigns and guidelines addressed to competent authorities and potential EU LTR applicants. - Introducing a legal obligation for competent authorities to provide information about the EU LTR status when they receive and application for the national LTR status. This measure would make an important contribution to the visibility and availability of information on the EU LTR status, which in turn has a positive impact on creating a more coherent, efficient and fair system to acquire the EU LTR status. However, this effect is expected to be minor, given that other conditions and requirements for acquirement of the EU LTR status remain unchanged.
Objective 2 Facilitate the intra-EU mobility	By increasing awareness of the EU LTR status, TCNs would be better informed about the facilitation of intra-EU mobility and may, if they apply for this status, be more inclined to become mobile.
Objective 3 Improve the rights of long term-residents and their family	By increasing the share of TCNs who will apply for the EU LTR status, a higher number of TCNs will benefit from equal treatment rights harmonised across the EU.

Assessment criterion	*Assessment*
Impacts	
Social impacts	**Third-country nationals** TCNs, especially in those Member States which at present do not provide sufficient information on the EU LTR status (at least five Member States as presented above) would become more aware of the rights and conditions of the latter. This would allow them to make a better-informed choice as to what LTR status would most fit their needs and offers the best rights and conditions. In addition, the improved quality of information publicly available is expected to lead to a slight reduction in costs faced by TCNs who would otherwise consult legal services and pay legal fees for support with their application. **National authorities** The increased information provision on the EU LTR status is likely to lead to a higher demand for the latter, although this would mostly concern a 'displacement' of applications from the national LTR scheme. The measure is unlikely to lead to a net increase in LTR applications. **Legal practitioners** The availability of additional information on the application procedure for the EU LTR permit may result in a minor reduced dependency on legal practitioners. However, as the measure does not set any minimum standards as to the kind of information which has to be provided (on both LTR schemes) or how the information should be provided, this will thus largely depend on how the measure is implemented by national authorities. **Third countries** The provision of information alone is unlikely to have an effect on third countries. The increased attractiveness of the EU LTR permit could result in more third-country nationals moving to the EU for work or study purposes, which could in turn result in some loss of human capital and labour force in third countries however this impact is expected to be very minor. It will not be possible to estimate the expect impact due to a multitude of factors at play.
Economic impacts	The potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead. In qualitative terms, the economic impact of this measure will be low, as it will not lead to a higher number of holders of LTR statuses overall (it is assumed that an increase in applications for the EU LTR status will lead to a decrease in the number of applications for the national LTR

Assessment criterion	***Assessment***
	status). Some impact could be expected with regards to intra-EU mobility, which may in turn have an impact on labour shortages, the wage levels of mobile TCNs and hence, an increase in the second Member State's tax revenue. However, due to the variety of factors at plan, it will not be possible to quantify these impacts.
Environmental impacts	This type of impact is unlikely to occur.
Fundamental rights	No specific fundamental rights would be affected by the measure.
Costs	
Administrative and compliance costs	Member States will face administrative and compliance costs incurred as a result of the legal change. Member States would also face additional costs related the identification and preparation of information to be disseminated on the EU LTR status and to organising the same information and communication activities as those carried out at present for the national LTR status (including updating the websites of national authorities and printing some brochures). These costs have been estimated to 90,067 euro (per average yearly cost).
Simplification	As mentioned above, the increased information provision on the EU LTR status is likely to lead to a higher demand for the latter. However, as it would mostly concern a 'displacement' of applications from the national LTR scheme to the EU LTR, rather than leading to a net increase in LTR applications, the measure is not likely to pose an additional administrative burden for the national authorities in terms of the quantity of applications lodged. Additionally, the better quality of the information on the EU LTR status will reduce the need for legal advice and reduce the legal fees paid by TCNs.
Overall assessment	
The measure will have a positive effect on creating a more coherent, efficient and fair system to acquire the EU LTR status and may contribute to increased intra-EU mobility. However, without setting minimum standards as to the information to be provided, there is a risk that information on both statuses will be insufficient to enable TCNs to make a well-informed choice. This measure will result in moderate administrative and compliance costs for Member States but in significant cost savings for TCNs.	

Policy Measure 2.5: Holders of national permits who apply for an EU LTR permit have a facilitated procedure (i.e. not presenting evidence already checked for the national permit)

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	Currently, a majority of Member States do not have a facilitated procedure in place. However, some Member States implement procedures that could facilitate the change of status from national LTR to EU LTR[199]. In France, holders of national LTR do not have to prove the fulfilment of integration requirements when applying for the EU LTR. In Portugal, if a TCN already proved some non-changeable requirements (e.g. language proficiency) when applying for their national permits, and they are part of their digital file, such proofs do not need to be presented a second time while applying for the EU LTR status. In Greece, national permit holders do not pay application fees to change their permit into the EU LTR permit. This measure will introduce a provision according to which TCNs will not be required to prove the fulfilment of the conditions for acquisition of the EU LTR permit if those have already been proved for their national permit. For example, if sufficient proof of fulfilment of the resources and/or integration requirements has already been provided by a TCN, then this would not be requested a second time for the EU LTR permit. By reducing administrative proceedings and the number of documentary evidence required to access the EU LTR status, this measure will facilitate the acquisition of the EU LTR status for holders of national permits that have similar conditions. Additionally, according to the initial findings of the ongoing FRA study on the Fundamental Rights of LTR status holders, national authorities in Germany and Belgium suggested that when the requirements for the national long-term permit are assessed, the national authorities should be obliged to also assess whether the EU LTR permit can be granted. Another stakeholder of the ongoing FRA study suggested that at the moment of the renewal of a temporary residence permit, if the person qualifies for an EU LTR permit, authorities should set up an automatic system that informs the individual about the possibility to apply for the EU LTR permit. Such obligations could further contribute in providing a level-playing field between the EU and national LTR schemes.
Objective 2 Facilitate the intra-	By facilitating access to the EU LTR status for those TCNs already holding a national LTR permit, this measure would facilitate intra-EU

[199] EMN Inform (2020) Long-Term Resident Status in the EU p.9-10.

Assessment criterion	*Assessment*
EU mobility	mobility for a slightly higher number of TCNs who may wish to become mobile.
Objective 3 Improve the rights of long term-residents and their family	Facilitating access to the EU LTR status will improve the rights of prospective EU LTR applicants in Member States attaching a narrower set of rights to their national LTR permit, as they would benefit from equal treatment rights guaranteed at EU level and be able to have facilitated access to the labour markets of other Member States.
Impacts	
Social impacts	**Third-country nationals** TCNs making use of a facilitated procedure, in Member States attaching a narrower set of rights to their national LTR permit, would benefit from equal treatment rights guaranteed at EU level and be able to have access to the labour markets of other Member States. **National authorities** The measure will lead to simplified processes for national authorities as some conditions would not need to be (re)checked. The impact will be higher for national authorities in Member States where conditions for acquisition of national residence permits are similar to the conditions for acquisition of the EU LTR. **Legal practitioners / judiciary** A facilitated procedure is likely to reduce legal proceedings and judiciary proceedings in relation to the acquisition of the EU LTR. **Employers/Businesses** Facilitating the acquisition of the EU LTR to national permit holders will have a minor impact on employers and businesses as hired TCNs holding an EU LTR will have a stable status with an almost automatic renewability. **Third countries** No specific impact identified on third countries.
Economic impacts	The potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead.
Environmental impacts	This type of impact is unlikely to occur.

Assessment criterion	*Assessment*
Fundamental rights	A facilitated procedure to access the EU LTR would mean a reinforcement of the fundamental rights guaranteed to the TCNs by the LTRD.
Costs	
Administrative and compliance costs	In addition to administrative costs related to the legal change, Member States would incur some compliance costs resulting from the introduction of a new procedure. As the facilitated procedure targets national residence permit holders, it is less likely that the measure will decrease administrative burden for national administrations that will still have to check compliance with all conditions for acquisition of the permit. The costs faced by public administrations and Member States as a result of this measure have been estimated at 35,828 euro per average yearly cost.
Simplification	This measure will reduce the number of documentary evidence that national permit holders will have to submit with their application to the EU LTR status, resulting in minor cost savings for national authorities and TCNs. Due to the number of factors at play, it will not be possible to estimate the cost savings for TCNs. The cost saving for national authorities is estimated at 460 euro (per average yearly cost).
Overall assessment	
Overall, the measure will have a positive impact on the access to the EU LTR, but it is difficult to determine if it will significantly increase the number of EU permits issued. This measure will result in low administrative and compliance costs for Member States.	

Policy measure 2.6: Encouraging Member States to reinforce checks on the residence requirement with regard to investor residence schemes

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient	Investor residence schemes in the EU exist to date in 19 Member States.[200] As highlighted in the 2019 Commission report, in 14 Member

[200] BG, CZ, EE, IE, GR, ES, FR, HR, IT, CY LV, LT, LU, MT, NL, PO, PT, RO, SK, COM(2019) 12 final, Report on Investor Citizenship and Residence Schemes in the European Union, p.6-9

Assessment criterion	*Assessment*
and fair system to acquire the EU LTR status	States, continuous physical residence is not required to apply for investor residence scheme.[201] For instance, according to this report, in Portugal, the physical presence of the investor is only required for seven days in a year and just on the day of the application in Malta, Greece and Bulgaria.[202] As highlighted in the problem definition, this means that, in the absence of monitoring, investors that do not comply with the 5 years of continuous residence requirement could still acquire the EU LTR status on the basis of their national investor permit for five years. Moreover, in all Member States where such schemes exist, the renewal of the residence permit (temporary or permanent when the permit has been issued for a fixed duration) is possible except for Poland[203]. According to the CJEU, a formally limited residence permit within the meaning of national law cannot be classified as a formally limited residence permit within the meaning of Art 3(2)(e)[204]. The possibility to renew a temporary residence permit indefinitely reinforces such interpretation. This means that even if some investor residence schemes are of a temporary nature, it would not prevent an abusive acquisition of the EU LTR in Member States where an investor's physical residence is not required. Introducing an effective mechanism to reinforce checks on residence requirements with regard to investor residence schemes will help preventing such situation of abuse in the acquisition of the EU LTR permit and will have a positive impact on ensuring a fairer system for the acquisition of the EU LTR status. However, very few statistical data are available to properly assess the impact of this measure. Where statistical data on residence applications are available, they are often not disaggregated between investors and family members[205]. Indicatively, available data show that 264 investor residence permits were issued in Estonia between 2012 and 2017; 531 permits were issued in Spain between 2013 and 2017; 30 permits were issued in France between 2016 and 2017 and 112 in Malta over the same period. Specific reliable statistical data are available in six other Member States over different time period and show relatively low numbers of

[201] BG, CZ, EE, GR, FR, LV, LT, LU, MT, PO, PT, RO, SK.
[202] COM(2019) 12 final, Report on Investor Citizenship and Residence Schemes in the European Union, p.9
[203] Milieu Ltd (2018), Factual analysis of Member States Investors' Schemes granting citizenship or residence to third-country nationals investing in the said MS, Study overview, p. 59
[204] CJEU (2012), C-502/10, Singh
[205] Milieu Ltd (2018), Factual analysis of Member States Investors' Schemes granting citizenship or residence to third-country nationals investing in the said MS, Study overview, p96

Assessment criterion	*Assessment*
	investor residence permits issued compared to the number of "regular" national long-term residence permits issued over the same period[206].
Objective 2 Facilitate the intra-EU mobility	No impact on this policy objective.
Objective 3 Improve the rights of long term-residents and their family	No impact on this policy objective.
Impacts	
Social impacts	**Third-country nationals** The measure will affect third-country nationals who benefit from investor residence schemes in Member States where no physical residence is required, as their access to the EU LTR will be limited. The measure will also affect family members of this category of this category of third-country nationals. Indeed, family members of foreign investors can apply for a residence permit in all Member States and in most of them, benefit from the same rights as the investor.[207] While family members usually include spouses and minor children, other types of relatives may also apply for a residence permit based on the permit granted to the investor in some Member States. For instance, in the Czech Republic, parents can apply to a residence permit. In Cyprus parents and parents in-law can apply for a residence permit. In Portugal, the scope of the family members category extends to investor's siblings. The measure will particularly impact types of family members not covered by the LTRD as they, beside the obligation to comply with the 5 years requirement, would not be able to join the EU LTR investors under the same conditions. **National authorities** This measure will engage national authorities to effectively monitor physical absences from the territory of their Member State. It appears

[206] *Ibid* p. 79 and 100 : EE, ES,FR, IE, LT, LU, LV,MT, NL, PT and Eurostat (2021) Long-term residents by citizenship on 31 December of each year, migr_reslong.

[207] BG, CY, CZ, DE, EE, EL, ES, FR, IE, LT, LV, MT, NL, PL, PT, RO, SI, SK; Milieu Ltd (2018), Factual analysis of Member States Investors' Schemes granting citizenship or residence to third-country nationals investing in the said MS, Study overview, p. 61.

Assessment criterion	*Assessment*
	from the information available in the Fitness Check on legal migration, that in a number of Member States, such absences are not monitored[208]. In five of the Member States that do not require continuous physical residence from the investor, previous residence permits issued in the Member State can be presented as a proof of continuous and regular residence for the issuance of a EU LTR permit[209]. The national authorities of these Member States are likely to be the most impacted by the measure. **Legal practitioners/judiciary** This measure will probably increase the legal and judiciary proceedings as it will result in an increase in rejections of applications of this category of third-country nationals. However, the impact might be limited due to the relatively low numbers of national residence permit issued under investor residence schemes in Member States where physical residence is not required. **Employers/Businesses** The measure may, in the Member States that currently allow for the EU LTR permits to be granted without proof of continuous and regular residence and those which do not monitor this, lead to some decrease in investors from third countries. However, the impact is likely to be low as they could either opt to remain legal residents but without applying for any long-term residence status, apply for the national LTR status (if the latter would allow this) or for naturalisation, again if national conditions allow for this. **Third countries** This type of impact is unlikely to occur.
Economic impacts	As set out above, the decrease in investors is likely to have a low economic impact as the measure will prevent them to access the EU LTR status without proof of continuous and regular residence but will not have an effect on their national residence permits. The potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead.
Environmental impacts	No environmental impacts identified.

[208] Fitness Check on Legal Migration, Annex 2A p.120: AT, CZ, DE, EE, HR, HU, IT, MT, NL, PL, PT and SE.
[209] Fitness Check on Legal Migration, Annex 2A p.79: BG, EE, PO, RO, SK

Assessment criterion	*Assessment*
Fundamental rights	No impact on fundamental rights identified.
Costs	
Administrative and compliance costs	This measure will primarily impact national authorities, introducing some administrative and compliance costs. These costs are estimated as follows (average yearly costs): European Commission • Administrative costs for implementing and communicating the change: 2,455 euro Member States national authorities • Administrative and compliance costs related to legal change, changes to internal procedures including training and guidance for national authorities, as well as setting up and running a monitoring mechanism for 13 Member States where continuous physical residence is not required in their investor residence schemes: 42,154 euro
Simplification	The measure will not lead to simplification, but rather encourage 13 Member States to introduce a new mechanism to check whether (a relatively small number) of TCN comply with the continuous physical residence requirement.
Overall assessment	
Overall, introducing a mechanism to reinforce checks on residence requirements with regard to investor residence schemes will help in preventing abuses and having a fairer system for the acquisition of the EU LTR status. The administrative and compliance costs faced by the Member States are expected to be marginal. However, very few statistical data are available to properly assess the impact of this measure.	

1.2.2 Measures relating to the facilitation of intra-EU mobility

Policy measure 2.7: Not allowing the second Member State to apply a labour market test

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More	In the 16 Member States which apply a labour market test either to long-

Assessment criterion	*Assessment*
coherent, efficient and fair system to acquire the EU LTR status	term residents from other Member States or to persons applying for a permit on grounds of employment, (see below), this measure would make the EU LTR scheme considerably more efficient and attractive, therefore considerably contributing to this objective. In particular, this measure will considerably facilitate the intra-EU mobility of EU LTR for work purpose and, thus, the acquisition of the EU LTR status in a second Member State. Mobile EU LTR permit holders from another Member State would no longer have to undergo labour market tests, while holders of the national equivalent scheme might still be obliged to undergo this test if required already in the Member State. However, in Member States which do not require labour market tests to be applied for persons requesting a national long-term residence permit, this measure would have no effect in terms of the level-playing field.
Objective 2 Facilitate the intra-EU mobility	At present, according to the second Commission implementation report, 13 Member States apply labour market tests (under Article 14(3) of the LTRD) to long-term residents from other Member States who apply to reside for the purpose of exercising an economic activity[210]. In addition, eight Member States apply a labour market test for permits on the grounds of employment,[211] which means that in these countries the future employer has to provide proof that no qualified worker (either a national or an EU/EEA citizen) can fill this vacancy within a reasonable or determined amount of time. Member States generally apply the same procedures regarding the requirements for filling a vacancy or for exercising an activity in an employed or self-employed capacity[212]. Certain categories of third-country nationals, such as highly skilled workers and researchers, may be exempted from the labour market test. Members from three of the stakeholder groups consulted for the purposes of this impact assessment considered that labour market tests acted as a significant barrier or limitation to the intra-EU mobility of EU LTR permit holders and that these should not be conducted in the second Member State[213]. In addition, members of the Informal Expert Group on Economic Migration and Civil Society representatives highlighted that in many cases, labour market tests can lead to delays in the processing of TCN applications to work in a second Member State which result in missed work opportunities or demotivate employers from even considering the hiring of TCNs. However, members of the Legal

[210] AT, CY, CZ, DE, FI, FR, IT, MT, NL, PT, RO, SI, and SK.
[211] BE, FI, FR, LV, LU, NL, SI and SK.
[212] EMN (2020) Long-Term Resident Status in the EU, p. 12.
[213] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021; Fifth meeting of the Informal Expert Group on Economic Migration, 14 April 2021; Consultation with representatives of Civil Society, 20 April 2021.

Assessment criterion	*Assessment*
	Migration Contact Group had mixed views on this point, with some considering that labour market tests remain an essential tool for Member States to manage the admission of TCNs so that it is in line with their labour market needs and capacities.[214] Combining the groups of countries mentioned above, in a total of 16 Member States[215] a mobile TCN applying for work in the second Member State would need to apply a labour market test. This measure would therefore facilitate the mobility of long-term residents wishing to move to over half of EU Member States. It would not facilitate the mobility to the other 11 Member States since a labour market test is already not required there. This measure would significantly contribute to increasing (long-term) intra-EU mobility within the EU of legally residing and integrated third-country nationals by simplifying the procedures to work in 16 EU Member States. It enables EU LTR holders which have found work possibilities in another Member State to concretely and quickly act on such opportunities. This measure therefore supports the development of a single internal market, whereby EU permits should facilitate the EU's labour market growth as a whole. The assessment of this measure should be read in conjunction with other measures aiming to facilitate intra-EU mobility (e.g. allowing TCNs to start working in the second Member State while their application is being assessed, granting mobile TCNs equal treatment as regards recognition of professional qualifications in the second Member State, improving the rules on access to the labour market for TCN applicants and their family).
Objective 3 Improve the rights of long term-residents and their family	This measure will make an important contribution to equal treatment by allowing third-country nationals with an EU long-term resident permit the same access to the labour market of the second Member State as nationals of that Member State and other EU citizens. By contrast, the measure could possibly have a minor negative effect on circular migration if TCNs find better employment opportunities in the second Member State, which would reduce their incentive to return to the first Member State or to their country of origin. However, since TCNs moving to a second Member State have already left their country of origin, this measure would not lead to an increase in brain drain.

[214] Consultation with the Legal Migration Contact Group, 18 May 2021.
[215] AT, BE, CY, CZ, DE, FI, FR, IT, LV, LU, MT, NL, PT, RO, SI, and SK.

Assessment criterion	*Assessment*
Impacts	
Social impacts	**Third-country nationals** This measure considerably increases the possibilities for EU LTR status holders to exercise their right to intra-EU mobility in a clearer and seamless manner. This measure significantly increases EU LTR status holders' chances to be recruited as they can move immediately to the second Member State rather than having to wait - potentially for months - for the results of labour market tests (and thus missing on the opportunity). In addition, this measure still implies for the third-country national concerned the need to comply with the other conditions to acquire another residence permit in the second Member State. The impact of this measure is also dependent on the implementation of the policy measures related to allowing third-country nationals to start working in the second Member State while their application is being assessed, granting mobile TCNs equal treatment concerning the recognition of their professional qualifications in the second Member State, and improving the rules on access to the labour market for the 'mobile' long-term resident and their family members. **National authorities** This measure would have an impact on 16 Member States, as in these countries labour market tests would currently apply to mobile TCNs. It would result in administrative simplification and reduced costs in terms of the human resources previously used to conduct labour market tests in these countries. It would also allow unfilled vacancies and occupation shortages in these countries to be filled more easily through the recruitment of mobile TCNs. However, national authorities would lose some of their current control over the national labour market, no longer being able to give preference to national and EU citizens over mobile TCNs. A national authority replying to the legal migration and integration Public Consultation already stated that they did not wish for the revision of the LTRD to change or limit the ability of Member States to conduct their own labour market tests before employing a TCN.[216] There may therefore be some resistance from national authorities to this measure. **Legal practitioners / judiciary** Legal practitioners are likely to be confronted with initial queries for clarification on the new procedures for acquisition of the permit and

[216] Bavaria State Ministry of the Interior for Sport and Integration (2020), Contribution to European Commission Consultation on the Future of EU Legal Migration.

Assessment criterion	*Assessment*
	recruitment applicable in their own Member State or need to clarify applicable legislation in other Member States, at least in the first months/year of their introduction. The workload and need for legal counselling (or recourse to appeals) is expected to decrease in the medium to long-term following the application of this measure as it will simplify the procedure for hiring TCNs in 16 Member States. **Employers/Businesses** Surveys of employers in some EU countries show that employers are reluctant to hire workers from outside of the EU. In Germany, only one in four employers who struggled to fill vacancies tried hiring workers from abroad, and only about half succeeded. In addition, faced with growing shortages, only one in three large employers would consider the option of recruiting foreign workers in the near future and this share halved for SMEs at 15%.[217] In Sweden, a survey showed that only 4% of businesses who suffered from, shortages eventually recruited migrant workers.[218] This reluctance could be in part linked to the administrative requirements needed to be able to hire TCNs, such as labour market tests. Removing the requirement to apply a labour market test for mobile long-term residents in 16 Member States would provide an important incentive to employers to hire TCNs, as suggested also by Civil Society representatives consulted for the purposes of this impact assessment.[219] Employers would also benefit from a larger pool of qualified and already legally residing third-country nationals from other Member States, as well as from faster and simpler hiring procedures for businesses to hire a third-country national, which means a lower administrative burden. In addition, the availability of a larger pool of qualified and already legally residing third-country nationals from other Member States could contribute to the filling-in of shortages of workers in certain sectors. **Third countries** Since the TCNs impacted by this measure will already be residing in the territory of the EU, this measure is not likely to result in a net increase in third-country nationals applying for the EU LTR permit, so it is unlikely to result in brain drain from third countries. Since the measure will facilitate the access of TCNs to the labour market in the second Member State (and possibly access better professional positions), it is likely to

[217] OECD (2013) Recruiting Immigrant Workers: Germany 2013, Recruiting Immigrant Workers, OECD Publishing, Paris.

[218] Chen, E. and R. Ward (2013), Employers' Role and Influence in Migration: A literature review, Ministry of Business, Innovation and Employment, http://thehub.superu.govt.nz/project/employers%E2%80%99-role-and-influence-migration-literature-review.

[219] Consultation with representatives of Civil Society, 20 April 2021.

Assessment criterion	*Assessment*
	result in an initial increase in the remittances sent to their countries of origin by mobile TCNs, which will benefit the economic stability of families of TCNs residing in third countries and in turn benefit the economies of third countries. However, this measure alone as such may not be a key driver for remittances and hence, the extent to which this could be the case is very difficult to estimate due to a multitude of factors at play. There are other positive factors at the interplay of migration and development, such as possibilities for circular migration promoting skills transfers.
Economic impacts	Assuming that the policy measure would lead to increased intra-EU mobility of LTR permit holders for the purpose of work, it is expected to lead to an increase in the wages of mobile TCNs (since it is assumed that they would move to the second Member State seeking better employment opportunities), which would in turn lead to higher tax revenue, increased productivity and consumption, and enhanced economic growth in the second Member State. This measure is likely to also have a limited negative impact on Member States resulting from remittances sent by mobile TCNs holding an EU LTR status, such as North African countries. For example, 85% of remittances to Algeria, Morocco and Tunisia originate from the EU-27, with the largest remittance flows being those sent from France ($4.7 billion), Italy ($2.0 billion), Spain ($1.9 billion), Belgium ($589 million) and Germany ($531 million).[220] Other economic impacts, for instance increased attractiveness of the EU permit and economic growth in the second Member State, are indirect and more challenging to quantify as a specific result of this measure. Due to the variety of factors at play which could have an impact on economic effects and the type of assumptions required, the potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead.
Environmental impacts	No specific impacts on environmental impacts identified.

[220] Kalantaryan, S. and McMahon, S., (2021) Remittances in North Africa: sources, scale and significance, Publications Office of the European Union, Luxembourg, 2021, ISBN 978-92-76-29685-0, doi:10.2760/085524, JRC123516, pp. 20-21.

Assessment criterion	*Assessment*
Fundamental rights	This measure positively affects the right to professional life of long-term third-country nationals as it would enable swifter mobility to another Member State in the case of the 16 Member States where labour market tests are currently applied to mobile long-tern residents or to persons requesting a permit for an economic activity.
Costs	
Administrative and compliance costs	In those 16 Member States that will have to adapt their procedures through the removal of the requirement for labour market tests, national authorities will face costs relating to the legal changes required following the revision of the Directive, as well as monitoring, compliance and costs relating to reporting on progress made to the EU. The European Commission will also face costs relating to implementing and communicating the changes to the Directive. Overall, the costs resulting from this measure alone for national authorities are expected to be low, estimated at 40,333 euro per average yearly cost. The costs for the Commission are estimated at 2,455 euro.
Simplification	This policy measure will reduce administrative costs in national administrations linked to the implementation of labour market tests in the 16 Member States that still apply them to mobile long-term residents. This cost saving is estimated at 4,404 euro (per average yearly cost). In addition, this measure concretely reduces costs for TCNs, who can become immediately active in the second Member State, and thus reducing the costs induced by administrative procedures linked to the labour market tests, as well as the costs linked to missed employment opportunities. Employers will also benefit from reduced costs in the hiring process (e.g. situations of vacancies left unfilled, or waiting for the result of a labour market test). Whilst for TCNs, these cost savings are difficult to estimate, due to the many factors at play, for employers, the change is expected to generate a cost saving of 112,727 euro (per average yearly cost).
Overall assessment	
Overall, this policy measure increases the attractiveness and the efficiency of the system to acquire the EU LTR status by simplifying procedures for acquisition of the permit and hiring procedures, further promoting the possibility for third-country nationals to pursue employment opportunities in another Member State. This measure will lead to cost savings for national administrations, employers and TCNs resulting from simplification, with some minor administrative and compliance costs for national authorities.	

Policy Measure 2.8: Allowing the long-term residents to start working or studying in a second Member State while their application is being assessed

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	By facilitating intra-EU mobility (see below), this measure contributes to increasing the attractiveness of the EU LTR status and the efficiency of the system to acquire the EU LTR status. Thus, it brings an added value to the EU LTR status compared to national LTR permits. Furthermore, this measure is expected to have a positive impact on the acquisition of the EU LTR status since it would facilitate the process for EU LTR permit holders to potentially obtain another LTR permit in the second Member State to which they move, should they wish to, by allowing them to start working or studying in the second Member State while their application for a residence permit is still being processed, rather than having to wait in the first Member State for this process to be finalised.
Objective 2 Facilitate the intra-EU mobility	At present, holders of an EU LTR status cannot move to another Member State for (long-term) studies or employment purposes without obtaining an authorisation to reside in the second Member State beforehand. While some Member States allow EU LTR holders to apply for residence while they are still residing in the first Member State, they cannot move during the assessment of their application (with the exception of Slovenia[221]). The LTRD sets a limit for the processing of applications to four months, a period which, as highlighted by stakeholders consulted for the purposes of this impact assessment, may often hinder EU LTR holders from fully benefitting from studies or work opportunities in other Member States, leading to missed study or employment opportunities.[222] This measure will significantly contribute to facilitate intra-EU mobility of legally residing and integrated third-country nationals by simplifying the procedures to reside in another Member State. This could also lead to an increase of the currently low ratio of EU LTRs mobility (representing approximatively 2% of the EU LTR holders).[223] The extent of the impact of this measure will differ from one Member State to another as applications from EU LTR to move to a second Member State vary considerably across Member States.[224] Where data are available for the

[221] EMN 2020 Inform on long-term residence: EU LTR holders of another MS can already enter Slovenia before a final decision is taken on their application, in which case they will be issued a certificate of application that shall serve as a temporary residence permit until the final decision is taken.

[222] Fifth meeting of the Informal Expert Group on Economic Migration, 14 April 2021.

[223] Consultation with experts from the informal Expert Group on Economic Migration.

[224] EMN (2021) AHQ for Impact assessment on revision of the Long-term Residents and Single Permit Directives (Question 1)

Assessment criterion	*Assessment*
	year 2020, they show that the number of applications from EU LTR residing in another Member State amount to 5 in Cyprus, 26 in Slovenia, 1602 in Sweden and 29 9897 in Germany. The facilitation foreseen in this measure will enable EU LTR holders which have found study or work possibilities in another Member State to concretely act on such opportunities, avoiding missed work or opportunities which could otherwise arise for TCNs from the delays for processing applications for a residence permit in the second Member State. This measure thus supports the development of a single internal market, whereby EU permits should facilitate the EU's labour market growth as a whole. The assessment of this measure should be read in conjunction with other measures aiming to facilitate intra-EU mobility (e.g. not allowing the second Member State to apply a labour market test, mutual recognition of professional qualifications).
Objective 3 Improve the rights of long term-residents and their family	By allowing TCNs and their family members to start working or studying in the second Member State while their application is being assessed, this measure enhances the right of EU LTR permit holders and their family members to intra-EU mobility provided under the permit.
Impacts	
Social impacts	**Third-country nationals** This measure increases the possibilities for EU LTR status holders to exercise their right to intra-EU mobility in a clearer and seamless manner. This measure significantly increases EU LTR status holders' chances to be recruited or accepted for studies as they can move immediately to the second Member State rather than having to wait potentially for months (and thus missing on the opportunity). As highlighted in stakeholder consultations,[225] a long-term resident can thus nearly immediately start employment (after recruitment) or studies in a second Member State, without losing time and resources on obtaining first a residence permit. Nevertheless, legal certainty of TCN could be negatively affected if the assessment of their application for a work or student permit by the authorities in the second Member State is not framed in a clear timeline. In addition, this measure still implies for the TCN concerned the need to

[225] Fifth meeting of the Informal Expert Group on Economic Migration, 14 April 2021.

Assessment criterion	*Assessment*
	comply with the conditions to acquire another residence permit in the second Member State. On the other hand, in case of a refusal for the application in the second Member State, this measure may have a detrimental impact on the TCN, as they would have given up opportunities in the first Member State and would risk losing the employment or study opportunity in the second Member State, unless they secured an alternative status (e.g. the national equivalent). The impact of this measure is also dependant on the implementation of the policy measure related to not allowing the second Member State to apply a labour market test. **National authorities** For competent authorities of all Member States, this measure entails adapting their procedures relating to the acquisition and issuance of a residence permit to holders of an EU LTR status (e.g. assessing procedure for a month). This may include, for example, providing them directly with a temporary authorisation to work or study, or temporarily recognising the authorisation to work of the first Member State. The social impact will be higher for national authorities in Member States receiving the highest number of applications from foreign EU LTR (namely Germany and Sweden). **Legal practitioners/judiciary** Legal practitioners are likely to be confronted with additional queries for clarification on the procedures for acquisition for the permit applicable in their own Member States or need to clarify applicable legislation in other Member States, at least in the first months / year of their introduction. The workload and need for legal counselling (or recourse to appeals) can thus be increased by the implementation of this measure. **Employers/Businesses** Employers in the second Member State will benefit from a larger pool of qualified and already legally residing third-country nationals from other Member States. More specifically, this measure simplifies and shortens the process for businesses to hire a third-country national and could result in a decrease in the labour shortages experienced by Member States in some sectors, such as the shortages reported in 2020 by at least nine Member States when it comes to nursing professionals, plumbers and pipe fitters, cooks, applications programmers, generalist medical practitioners, and software developers.[226] This decrease in labour shortages could in turn potentially result, as an indirect effect, in an increase in investments made by employers or their businesses, thanks to

[226] European Commission (2020) Analysis of shortage and surplus occupations, p. 5.

Assessment criterion	*Assessment*
	greater certainty provided by the increased availability of qualified and already legally residing third-country nationals. In case the permit in the second MS is refused, this would have a detrimental impact on the employer, who would lose an employee and would have to restart the hiring process to fill the vacancy, resulting in additional administrative costs. **Third countries** Generally speaking, there are positive factors at the interplay of migration and development, such as possibilities for circular migration promoting skills transfers and other forms of investments made by TCN within diaspora communities, such as equity-based mechanisms, loan-based mechanisms, bonds, and knowledge-based mechanisms. More specifically, as the TCN impacted by this measure will already be residing in the territory of the EU, this measure is not likely to result in a net increase in third-country nationals applying for the EU LTR permit, so it is unlikely to result in brain drain from third countries. Since the measure will enable a TCN to begin working in the second Member State sooner, it is likely to result in an initial increase in the remittances sent to countries of origin by mobile TCNs, which will benefit the economic stability of families of TCNs residing in third countries and in turn benefit the economies of third countries. However, this measure alone as such may not be a key driver for remittances and hence, the extent to which this could be the case is very difficult to estimate due to a multitude of factors at play.
Economic impacts	Assuming that the policy measure would lead to increased intra-EU mobility of LTR residents for the purpose of work, it is expected to contribute to an average increase in the wages of mobile TCNs (since it is assumed that they would move to the second Member State seeking better employment opportunities), which would in turn lead to higher tax revenue, increased productivity and consumption, and enhanced economic growth in the second Member State. This measure is likely to also have a limited negative impact on Member States resulting from remittances sent by mobile TCNs holding an EU LTR status, such as North African countries. For example, 85% of remittances to Algeria, Morocco and Tunisia originate from the EU-27, with the largest remittance flows being those sent from France ($4.7

Assessment criterion	*Assessment*
	billion), Italy ($2.0 billion), Spain ($1.9 billion), Belgium ($589 million) and Germany ($531 million).[227] This measure is also likely to have a limited impact on other types of investments made by TCNs within their diaspora communities, as mentioned above. A recent JRC report identified examples of diaspora finance being mobilised for development purposes in over 54 sending countries and 93 receiving countries across the world, with the main region at the receiving end being Africa (97 initiatives) and with the EU being the second region with the most diaspora finance sending mechanisms (after the Americas), with 37 initiatives identified. However, it will not be possible to quantify the impact of this measure on other types of diaspora investments given their variation and fluidity.[228] The abovementioned impacts, as well as other economic impacts, for instance from increased intra-EU mobility for study purposes or the potential increase in investments made by employers or businesses (mentioned under social impacts), cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead.
Environmental impacts	No specific impacts on environmental impacts identified.
Fundamental rights	This measure positively impacts the right to education and professional life of long-term third-country nationals as it enables swifter mobility to another Member State.
Costs	
Administrative and compliance costs	Based on available evidence, this measure will impact all Member States. It brings additional costs to national authorities that will have to adapt their procedures – procedures for acquisition of permits, as well as delivering work permits, timeliness and notification processes. Competent authorities will have to invest in additional staff and training, as well as information material for both staff and potential interested applicants. In addition, this measure is likely to result in an initial increased

[227] Kalantaryan, S. and McMahon, S., (2021) Remittances in North Africa: sources, scale and significance, Publications Office of the European Union, Luxembourg, 2021, ISBN 978-92-76-29685-0, doi:10.2760/085524, JRC123516, pp. 20-21.

[228] Gelb, Stephen; Kalantaryan, Sona; McMahon, Simon and Perez-Fernandez, Marta, Diaspora finance for development: from remittances to investment, EUR 30742 EN, Publications Office of the European Union, Luxembourg, 2021, ISBN 978-92-76-38762-6, doi:10.2760/034446, JRC125341, p. 24.

Assessment criterion	*Assessment*
	workload for legal practitioners, as they are likely to receive additional queries for clarification on the procedures applicable in their own Member States or in relation to applicable legislation in other Member States. However, this cost is expected to be negligible and has therefore not been quantified. The European Commission will also face costs relating to implementing and communicating the changes to the Directive, estimated at 2,455 euro. Overall, the costs resulting from this measure alone for Member States national authorities are estimated at 155,442 euro. The methodology used for the calculation of costs, the assumptions made and the detailed calculations are presented in annexes 4 and 6.
Simplification	This measure concretely reduces costs for TCNs, who can become immediately active in the second Member State, and thus reducing the costs induced by lengthy administrative procedures, notwithstanding the costs linked to missed employment or study opportunities. Employers will also benefit from more efficient procedures for hiring TCNs and reduced costs in the hiring process (e.g. situations of vacancies left unfilled or waiting for an administrative decision). Due to the variety of factors at play, it will not be possible to quantify these cost savings.
Overall assessment	
Overall, this policy measure increases the attractiveness and the efficiency of the system to acquire the EU LTR status by simplifying the procedures for hiring TCNs in the second Member State. It also promotes and significantly enhances the possibility for third-country nationals to pursue study and employment opportunities in another Member State. On the other hand, in case of a refusal for the application in the second Member State, this measure may have a detrimental impact on the TCN and on the employer. While this measure can potentially increase the number of EU LTR using their intra-EU mobility rights, the degree of facilitation will depend on its combination with all other measures under the same objective (measure 2.9 to 2.13). This measure will lead to cost savings for TCNs, with moderate administrative and compliance costs for national authorities.	

Policy Measure 2.9: Allowing long-term residents to submit the application while still residing in the first Member State

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More	Allowing TCNs to submit the application to reside and work in a second

Assessment criterion	*Assessment*
coherent, efficient and fair system to acquire the EU LTR status	Member State while still residing in the first Member State would increase the attractiveness of the EU LTR status and contribute to a more efficient system to acquire the EU LTR status. Currently, only 12 Member States allow long-term residents to submit the application to the authorities of a second Member State while still residing in the first Member State. This measure will consequently impact the remaining 15 Member States requiring TCNs to apply for national residence permits in their territory. In view of the travel restrictions implemented by Member States during the COVID-19 pandemic, several Member States introduced temporary measures making it possible for TCNs to apply for national residence or work permits from outside of their territory (via online applications, through post, or via consular services). However, as of December 2020, seven Member States (AT, BG, CY, DE, EE, LU, NL) still required the application for a national residence permit to be made by the TCN on their territory.[229]
Objective 2 Facilitate the intra-EU mobility	Currently, 12 Member States already apply the substance of this measure, as they allow long-term residents to submit the application for a residence permit to the competent authorities (i.e. embassies or consulates) of the second Member State while still residing in the territory of the Member State where they hold the LTR status.[230] This means that this measure would facilitate intra-EU mobility to over half of Member States (15). The LTRD sets a limit for the processing of applications to four months, a period which, as highlighted by stakeholders consulted for the purposes of this impact assessment, may often hinder EU LTR holders from fully benefitting from studies or work opportunities in other Member States, leading to missed study or employment opportunities.[231] While this measure would facilitate intra-mobility by allowing TCNs to lodge their application while still residing in the first Member State, other obstacles to this objective might remain, such as the fact that, in general, LTR of another Member State have to comply with the same provisions and regulations as a TCN who applies from outside the EU for filling a vacancy or for exercising an activity in an employed or self-employed capacity, except for the visa requirement. Furthermore, Estonia and Italy apply a quota for the admission of LTR holders from another MS (Art 14(4) of LTRD).
Objective 3	This measure would facilitate the access of EU LTR permit holders and

[229] EMN (2020) Ad Hoc Query 2020.75 Residence permit and labour market needs.
[230] BE, CZ, DE, EE, ES, FI, LV, LU, NL, SE, SI, SK, in EMN (2020) Inform on Long-Term Residents, p. 12.
[231] Fifth meeting of the Informal Expert Group on Economic Migration, 14 April 2021.

Assessment criterion	*Assessment*
Improve the rights of long term-residents and their family	their family members to intra-EU mobility, since it would allow them to begin the application process for a residence permit while still residing in the first Member State.
Impacts	
Social impacts	This measure is expected to have the following social impacts on: **Third-country nationals** This measure increases the possibilities for EU LTR status holders to exercise their right to facilitated intra-EU mobility as it allows them to begin the application process to work and/or reside in another Member State while still residing in the first one. It provides EU LTR status holders more economic stability and legal certainty in the transition from one Member State to the other, as it allows them to continue working in the first Member State while waiting for the application to work in the second Member State. This measure also increases the chances of mobile LTR status holders to be recruited, as they can begin their application process for a new job more in advance than would otherwise have been possible if they had to apply directly in the territory of the second Member State and wait there for the application to be processed. The impact of this measure is dependent on the implementation of the policy measures relating to granting mobile TCNs equal treatment concerning the recognition of their professional qualifications in the second Member State and improving the rules on access to the labour market for the 'mobile' long-term resident and their family members. **National authorities** This measure would have an impact on the 15 Member States which do not already implement it. In these countries, the measure will result in initial administrative costs, as Member States will have to adapt their procedures to process remote applications and will need to update the information provided to potential applicants (e.g. on their websites) explaining the new procedures in place. The procedural steps and requirements to apply from the first Member State will need to be clarified and specified. Assuming that the intra-EU mobility of TCNs already residing in the EU is similar or lower than the intra-EU mobility of EU citizens, the intra-EU mobility of TCNs for employment purposes is estimated to be

Assessment criterion	*Assessment*
	relatively low, if based on the intra-EU mobility of EU citizens for employment purposes concerns only 3% to 4% of EU citizens.[232] In view of the estimated low intra-EU mobility of TCNs already residing in the EU, it is unlikely that this measure will significantly increase the number of applications made and it is therefore unlikely to result in a substantially increased workload for national authorities besides the initial costs mentioned above. **Legal practitioners / judiciary** Legal practitioners are likely to be confronted with initial queries for clarification on the new procedures for acquisition of the permit and recruitment applicable in their own Member State, or the need to clarify applicable legislation in other Member States, at least in the first months / year of their introduction. The workload and need for legal counselling (or recourse to appeals) is expected to decrease in the medium to long-term following the application of this measure as it will simplify the procedure for hiring TCNs in 15 Member States. **Employers/Businesses** As mentioned previously under the assessment of the measure *not allowing the second Member State to apply a labour market test*, surveys of employers in some EU countries show that employers are reluctant to hire workers from outside of the EU. Such reluctance could be partly linked to the administrative requirements and lengthy procedures needed to hire TCNs, such as the waiting time for the applications of TCNs for residence or work permits to be processed. This measure would speed up the processing time of applications by a TCN already living in the EU, facilitating the hiring process and providing an incentive for employers to hire TCNs. As mentioned previously, employers would also benefit from a larger pool of qualified third-country nationals from other Member States. **Third countries** No specific impact on third countries identified.
Economic impacts	The potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead. Based on available evidence, this measure will impact 15 Member States. Assuming that the policy measure would lead to increased intra-EU

[232] https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8369#:~:text=The%202020%20Annual%20report%20on,on%20mobility%20and%20demographic%20change.

Assessment criterion	*Assessment*
	mobility of LTR residents for the purpose of work, it is expected to contribute to an increase in the wages of mobile TCNs (since it is assumed that they would move to the second Member State seeking better employment opportunities), which would in turn lead to higher tax revenue, increased productivity and consumption, and enhanced economic growth in the second Member State.
Environmental impacts	No specific environmental impacts identified.
Fundamental rights	This measure positively impacts the right to professional life of long-term third-country nationals as it allows TCNs to begin their applications for a residence permit earlier. It also facilitates their access to freedom of movement (Article 45 of the EU Charter of Fundamental Rights).
Costs	
Administrative and compliance costs	Based on available evidence, this measure will impact 15 Member States, bringing, as mentioned above, additional costs to national authorities that will have to adapt their procedures (e.g. the delivery of work permits, the timelines and notification processes). Competent authorities will have to invest in additional staff and training, as well as information material for both staff and potential interested applicants. This measure reduces the costs that would be incurred by TCNs who would need to travel to the second Member State to lodge their application there. It could also reduce the costs linked to missed employment opportunities, as it would allow TCNs to apply for a residence permit in advance and to plan ahead (see cost savings for TCNs below). The European Commission will also face costs relating to implementing and communicating the changes to the Directive estimated at 2,455 euro. National authorities will face costs estimated at 65,492 euro.
Simplification	This measure will create initial administrative costs for national authorities, as mentioned above. In the long-term it might contribute to a more efficient processing of applications from TCNs already residing in a first EU Member States, as it might lead to the digitalisation of administrative processes. EU LTRs will also benefit from simplification as this measure will enable them to conduct all the administrative requirements related to their residence in a second Member State around their actual place of residence. This will allow them an easier transition from the first Member State to the second. Due to the variety of factors at play, it will not be possible to quantify these cost savings.
Overall assessment	

Assessment criterion	*Assessment*
Overall, this policy measure increases the attractiveness and the efficiency of the system to acquire the EU LTR status by making it possible for TCNs to lodge their work and/or residence permit applications earlier, allowing for a smoother transition between the first and second Member State and providing them with more legal certainty and economic stability. This measure will lead to cost savings for TCNs, with moderate administrative and compliance costs for national authorities.	

Policy Measure 2.10: Shortening the deadline for processing the application (from four months to 90 days)

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	Article 19(1) of the EU LTRD establishes that "the competent national authorities shall process applications within four months from the date that these have been lodged", except for in exceptional circumstances. However, as shown in the Fitness Check on legal migration the average number of days set for processing applications of EU legal migration directives is 86 days.[233] Nevertheless, research indicates that despite the deadlines set across the EU LTRD and other legal migration Directives, the real processing times can be far longer. The Fitness Check on legal migration found that there was occasionally discrepancy between the deadline set and the "real time" to process applications. Nevertheless, the study found that most Member States stayed mostly within the deadlines, not excessively exceeding them, except for a few outliers, including Italy, the Netherlands, Sweden and Greece. More specifically for the EU LTRD, initial findings of the ongoing FRA study on the Fundamental Rights of LTR status holders point to the fact that processing times are even longer than the time frame stipulated in the EU LTRD, which is already lengthier than other legal migration Directives. The study also found that the waiting periods to issue an EU LTR permit varied across Member States.[234] For example, the FRA study found that waiting times in Germany, Italy, Poland and Spain last from 300 days to a year. This measure would be able to provide necessary changes to the LTR

[233] Fitness Check on Legal Migration, Annex 2A p.37

[234] Initial findings shared by FRA from the ongoing study on the Fundamental Rights of Long-term residence status holders, p. 10

Assessment criterion	*Assessment*
	procedure that will provide more coherence with both other EU legal instruments and national practice.
Objective 2 Facilitate the intra-EU mobility	The introduction of this measure will have a positive influence on this policy objective, as procedures for intra-EU mobility will have to be addressed quicker.
Objective 3 Improve the rights of long term-residents and their family	No effect on this policy objective.
Impacts	
Social impacts	**Third-country nationals** The most significant positive social impact of this measure will be for TCNs. As mentioned under objective 1, the waiting times across Member States are varied and can be extremely lengthy. This extensive period of legal uncertainty can be taxing for TCNs and ensuring a shorter processing time in line with other EU legal migration directives will ameliorate their experience of the EU LTR scheme, as well as accelerate their access to more rights and to the labour market. **National authorities** The most negatively impacted stakeholder group will be national authorities, as they will have to do the same amount of work in a shorter timeframe. It will also consist of legislative changes, significant changes to internal procedures (e.g. training and guidelines). Whilst this measure will not bring any substantial changes to the process and documentation to be reviewed, it will give competent national authorities less time to process the same number of applications. **Legal practitioners / judiciary** No specific impact on legal practitioners/judiciary identified. **Employers/Businesses** As mentioned in objective 1, quicker application processes may mean that more TCNs are attracted to becoming EU LTR holders. Also, if TCNs eligible for EU LTR status obtain their status more quickly, this gives them faster access to the labour market. Therefore, employers and businesses will have access to a larger pool of qualified EU LTR holders.

Assessment criterion	*Assessment*
	Third countries (including negative effects such as brain drain) No specific impact on third countries identified.
Economic impacts	The potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead. Nevertheless, this measure is expected to bring some positive economic impacts. A qualitative assessment points to the fact that a minimal positive economic effect could be anticipated, as TCNs will have quicker access to intra-EU mobility.
Environmental impacts	No specific impacts on environmental impacts identified.
Fundamental rights	No specific impact on fundamental rights identified.
Costs	
Administrative and compliance costs	This measure will primarily impact national authorities, introducing administrative and compliance costs. These costs are estimated as follows (over a period of ten years): European Commission • Administrative costs for implementing and communicating the change: 2,455 euro National authorities • Administrative and compliance costs to revise the application assessment procedures, inform and advice those authorities and TCNs concerned, as well as to provide guidance and training to relevant authorities: 65,266 euro
Simplification	This measure promises simplification for TCNs, for whom the process of applying for intra-EU mobility will be far shorter. For national authorities too after an initial phase of adjusting to the new timeframe, this may prove to be a more streamlined process, avoiding potentially unnecessary lengthy processes. In addition, this measure would still ensure that processes can go beyond the 90 days in case of exceptional circumstances (such as issues with the documentation provided) – aiding national authorities to navigate more complex

Assessment criterion	*Assessment*
	applications. However, due to the variety of factors at play it will not be possible to quantify these cost savings.
Overall assessment	
Overall, this measure will bring important coherence with other legal migration directives and significantly help to reduce the extent of Member States' discretion with regards to processing times of intra-EU mobility applications. The stakeholder group to benefit from this policy measure the most are third country nationals who will face shorter periods of legal uncertainty when exercising intra-EU mobility, and employers which will more swiftly be able to hire them. Whilst this measure foresees some substantial administrative and compliance costs for competent national authorities, it also promises significant simplification due to a more streamlined process to administer these applications.	

Policy Measure 2.11: Granting 'mobile' long-term residents equal treatment with Union citizens as regards the recognition of professional qualifications in the second Member State, in accordance with applicable EU and national law

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	Currently, under both the national and EU LTR statuses, TCNs wishing to move to a second Member State for work purposes must undergo the processes commonly required in the Member States for the recognition of their professional qualifications. This measure would significantly contribute to making the EU LTR status more attractive, as it would allow mobile TCNs to benefit from a facilitated procedure for the recognition of their professional qualifications. Moreover, this measure would facilitate the conditions to acquire the status for EU LTR holders should they wish to apply for an LTR permit in the second Member State.
Objective 2 Facilitate the intra-	Mobile TCNs do not benefit directly from the EU regime of recognition of professional qualifications.[235] Members of the European Network of Public Employment Services consulted for the purposes of this impact

[235] Directive 2005/36/EC as amended by Directive 2013/55/EU (as well as Articles 45 and 49 TFEU).

Assessment criterion	*Assessment*
EU mobility	assessment highlighted this as one of the key barriers preventing third-country nationals from accessing the EU labour market.[236] In addition, a large majority of respondents to the Legal Migration Fitness Check Public Consultation considered that it was difficult to ensure the assessment or recognition of foreign qualifications in the EU (84% or n=838) and 58% of respondents agreed that there should be more EU-level action to facilitate the assessment and recognition of these qualifications.[237] Indeed, some Civil Society representatives[238] and academics[239] have called for the application of EU rules on the recognition of professional qualifications. Granting mobile TCNs equal treatment for the recognition of their professional qualifications would significantly improve their chances of finding a job in line with their skillset and experience, facilitating their access to the labour market and their integration in the second Member State. This measure would therefore significantly facilitate the intra-EU mobility of EU LTR permit holders. Nonetheless, the impact of this measure is dependent on the implementation of the other policy measures relating to intra-EU mobility, such as improving the rules on access to the labour market for 'mobile' long-term resident and their family members.
Objective 3 Improve the rights of long term-residents and their family	Currently, under both the national and EU LTR statuses, TCNs wishing to move to a second Member State for work purposes must undergo the processes commonly required in the Member States for the recognition of their professional qualifications. Recognition usually involves several agencies (e.g. academic information centres) and, in the case of regulated professions, it involves professional chambers and a verification process to check that the TCN's qualifications match national requirements (e.g. equivalence of professional qualifications in Portugal and Germany). This is usually a lengthy and burdensome process.[240] This measure would considerably improve the rights of EU LTR permit holders and their family members, by providing them with similar rights

[236] Consultation of the European Network of the Public Employment Services, 10 March 2021 (see Annex for further details).

[237] European Commission (2019) 1055 final, Legal Migration Fitness Check, Summary of Replies to the public consultation on legal migration by non-EU citizens, pp. 46-47.

[238] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021(see Annex for further details).

[239] Lange T. de, Groenendijk, K. (2021) The EU's legal migration acquis: Patching up the patchwork, Issue Paper, European Migration and Diversity Programme, European Policy Center, pp. 13-14.

[240] European Commission (2019) 1055 final, Legal Migration Fitness Check, Annex 2, p. 25.

Assessment criterion	*Assessment*
	compared to Union citizens concerning the recognition of professional qualifications when moving to a second Member State, including the recognition of qualifications obtained by the TCN during their residence in the first Member State. In this sense, this measure would make a significant contribution to equal treatment for recognition of professional qualifications and access to the labour market in the second Member State. Moreover, this measure could have a minor negative effect on circular migration, as TCNs who have secured stable employment in line with their qualifications and skills are less likely to want to return for work to their country of origin. This measure could therefore also indirectly contribute to brain drain in some countries of origin. However, it is unlikely that this measure on its own would act as a key pull-factor for migration to the EU, given that other factors also act as push or pull factors for possible migration to the EU (e.g. conflict and insecurity in third countries, high youth unemployment, climate change[241]).
Impacts	
Social impacts	This measure is expected to have the following social impacts on: **Third-country nationals** This measure would facilitate the access of TCNs to the labour market in the second Member State, increasing their chances to find jobs suitable for their professional qualifications and skills, and also contributing to the integration of mobile TCNs and their families in the second Member State. It will reduce the costs faced by mobile TCNs and their families during the validation of their professional qualifications. The European Network of Social Integration Enterprises has highlighted that the validation of skills and recognition of qualifications is crucial in ensuring that the skills of individuals are used to their full potential, particularly for refugees who "may not have necessary documentary evidence of their previous learning and qualifications, may have had their education interrupted or may not have participated in formal education".[242] **National authorities** This measure would have an impact on all Member States. The measure will result in Member States applying, in the case of mobile TCNs, the same EU rules and procedures already applied for EU nationals for the recognition of professional qualifications, leading to the automatic

[241] Lutz, W., Amram, G. *et al* (2019) Demographic Scenarios for the EU, p. 10.
[242] ENSIE (2020) What does ENSIE expect from the Action Plan for Integration and Inclusion, p. 1.

Assessment criterion	*Assessment*
	recognition of professional qualifications in some cases. This would lead to cost savings for all Member States, since a lower number of applications for recognition of professional qualifications would need to be processed by the authorities and relevant services. Authorities would also need to update the information provided to potential applicants (e.g. on their websites) explaining the new procedures in place. **Legal practitioners/judiciary** This measure would result in a moderate reduction of workload for legal practitioners, as TCNs would require less support from intermediaries for the validation and recognition of their professional qualifications. **Employers/Businesses** This measure would considerably simplify the process for hiring TCNs and avoiding skills mismatches by allowing employers access to a larger pool of medium and highly skilled legally residing TCNs. **Third countries** This measure could have a minor negative effect on third countries, as TCNs who have secured stable employment in line with their qualifications and skills are less likely to want to return to their country of origin. This measure could therefore indirectly contribute to brain drain in some countries of origin. However, as mentioned above, it is unlikely that this measure on its own would act as a key pull-factor for migration to the EU. In addition, it is highly likely to result in an increase in remittances to third countries, as more TCNs will have access to highly-qualified jobs with higher salaries and will be able to send more money to family members or other dependants based in their country of origin.
Economic impacts	The potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead. However, assuming that this measure is likely to result in an increase in TCNs moving to a second Member State, it is expected to contribute to an increase in the wages of mobile TCNs (since it is assumed that they would move to the second Member State seeking better employment opportunities), which would in turn lead to higher tax revenue, increased productivity and consumption, and enhanced economic growth in the second Member State. It will also bring increased economic benefits to mobile TCNs, as it will reduce the costs linked to the validation of professional qualifications and allow them access to employment at the right level.

Assessment criterion	*Assessment*
	As mentioned above, the measure is likely to have a limited negative effect on third countries linked to brain drain but a more considerable positive economic effect for these third countries linked to an increase in the remittances sent by the affected mobile TCNs to their families or other dependants based in their country of origin, such as for countries in North Africa. For example, 85% of remittances to Algeria, Morocco and Tunisia originate from the EU-27, with the largest remittance flows being those sent from France ($4.7 billion), Italy ($2.0 billion), Spain ($1.9 billion), Belgium ($589 million) and Germany ($531 million).[243]
Environmental impacts	No specific impacts on environmental impacts identified.
Fundamental rights	This measure will make a positive contribution to the right to professional life.
Costs	
Administrative and compliance costs	This measure will primarily affect national authorities, introducing administrative and compliance costs. These costs are estimated as follows (per average yearly cost): European Commission • Administrative costs for implementing and communicating the change: 2,455 euro Member States national authorities • Administrative and compliance costs for setting up and running a recognition mechanism for this category of TCNs: 356,713 euro
Simplification	The measure will result in simplification to the benefit of all Member States, as it will reduce the workload of recognition services (as mentioned above under Social Impacts). Member States will only need to conduct the necessary procedures for recognition of professional qualifications for those TCNs applying for an EU LTR permit for the first time. This measure will also incur time and cost savings for TCNs who will not have to wait or pay additional costs to have their

[243] Kalantaryan, S. and McMahon, S., (2021) Remittances in North Africa: sources, scale and significance, Publications Office of the European Union, Luxembourg, 2021, ISBN 978-92-76-29685-0, doi:10.2760/085524, JRC123516, pp. 20-21.

Assessment criterion	*Assessment*
	qualification officially recognised by the second Member State authorities; however, it will not be possible to quantify these cost savings due to the variety of factors at play. Therefore, the introduction of this measure will result in cost savings for Member States authorities estimated at 5,113 euro (per average yearly cost).
Overall assessment	
Overall, this measure will make the EU LTR status more attractive, facilitating the intra-EU mobility of mobile TCNs for work purposes. It will result in economic gains for mobile TCN, allowing them access to employment in line with their professional qualifications and skills, and it will result in significant simplification for national authorities, who would need to apply the same rules already applied to EU citizens for the recognition of professional qualifications. This measure will lead to cost savings for Member States authorities and TCNs, with moderate administrative and compliance costs for Member States national authorities.	

Policy Measure 2.12: Improving the rules on access to the labour market for the 'mobile' long-term residents and their family members

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	In 10 Member States,[244] the procedures for third-country nationals holding a national LTR status and wishing to apply for a work or residence permit in a second EU Member State do not differ significantly from the procedures for a first-time applicant under the national LTR schemes, with the only exception being Slovenia. In addition, as explained below, other Member States apply some restrictions for mobile TCNs applicants and their family. This measure would no longer allow Member States to limit access to the labour market for family members of LTR permit holders and would remove other restrictions faced by LTR permit holders, such as the need to request a work permit and linking the permit to a single employer (which is, for example the case in at least four Member States under the SPD).[245] Facilitating the rules for access to the labour market for EU LTR status holders would thus make the EU LTR permit significantly more attractive and facilitate the conditions to acquire the status for EU LTR holders should they wish to

[244] AT, BE, DE, ES, HR, HU, LT, LV, NL, PT, see European Commission (2019) Legal migration Fitness Check, Annex 2A, p. 107.

[245] EE, HU, MT, PL, Responses provided by the Legal Migration Practitioners' Network.

Assessment criterion	*Assessment*
	apply for an LTR permit in the second Member State.
Objective 2 Facilitate the intra-EU mobility	Under Article 21(2) of the LTRD, Member States may limit access to the labour market for mobile long-term residents and their family members for up to 12 months. In practice, in 15 Member States, mobile TCNs must apply for a work permit in the second Member State and also have to comply with the same provisions and regulations as a TCN who applied from outside the EU, except for the visa requirement.[246] In the Netherlands, the mobile long-term resident must have a work permit during the first year.[247] The procedure for the request of a work permit for the mobile long-term resident could be facilitated or removed altogether, as is already the case in Poland,[248] in order to facilitate intra-EU mobility. In addition, based on available evidence, 11 Member States[249] have restrictions in place such as limiting the link of long-term residence permit holders to a single employer[250] and/or a single professional field,[251] or restricting access to employed and self-employed activities only to those persons holding a residence permit for the purposes of studies, vocational training, or for other purposes. This measure would therefore facilitate the access of TCNs and their family (in line with Article 21(3) of the LTRD) to employment opportunities already during the first year of stay in the second Member State, also facilitating their intra-EU mobility and making the EU LTR status more attractive. The impact of this measure is also dependent on the implementation of the policy measures relating to granting mobile TCNs equal treatment concerning the recognition of their professional qualifications in the second Member State, not allowing the latter to apply a labour market test and allowing TCNs to start working in the second Member State while their application is being assessed.
Objective 3 Improve the rights of long term-residents and their family	This measure will improve the rights of TCNs and their family members by removing, as mentioned above (under objective 1), restrictions faced by EU LTR permit holders and their family members when trying to access the labour market of a second Member State, such as the need to request a work permit and linking the permit to a single employer.

[246] AT, CY, CZ, EE, EL, HR, HU, LT, LU, LV, MT, PT, RO, SI, see European Commission (2019) Legal Migration Fitness Check, Annex 2A, p. 104.
[247] EMN Inform (2020) Long-term residence status in the EU, p. 15.
[248] Consultation with the Legal Migration Contact Group, 18 May 2021.
[249] BE, DE, EE, FI, FR, HR, LV, LU, NL, PT, SK.
[250] FI, FR, LU.
[251] BE, EE, FI (for specific reasons, such as posted work), FR, HR, LV.

Assessment criterion	*Assessment*
Impacts	
Social impacts	This measure is expected to have the following social impacts on: **Third-country nationals** Mobile LTR permit holders and their families will benefit from facilitated access to the labour market of the second Member State. This measure will facilitate their hiring process and allow them economic stability from an earlier stage than might otherwise have been possible with the current provisions under the LTRD. This measure may contribute to granting better access to the labour market to women, who according to the European Network of Social Integration Enterprises (ENSIE), tend to have particularly low employment and activity rates.[252] **National authorities** This measure would have an impact on the Member States which implement restrictions during the first 12 months of residence of a mobile TCN in the second Member State. The procedural steps and new rules on access to the labour market will require clarification at national level. On the other hand, the lifting of restrictions will also simplify the procedures that Member States have in place. In view of the estimated low intra-EU mobility of TCNs already residing in the EU (see previous measures relating to intra-EU mobility), it is unlikely that this measure will significantly increase the number of applications made and it is therefore unlikely to result in an increased workload for national authorities besides the initial costs mentioned above. **Legal practitioners / judiciary** A change in the rules restricting access to the labour market would result in an initial increased workload for legal practitioners, as they would receive requests for clarification from TCNs and employers concerning the rules applicable in their country and potentially in other EU Member States, in the case of TCNs wishing to move to a second Member State. **Employers/Businesses** Employers and businesses will benefit from an earlier or simpler possibility to recruit qualified and legally residing TCNs. This measure will allow businesses to fill labour gaps and will encourage businesses to make decisions or investments which they would not otherwise make if

[252] ENSIE (2020) Written contribution to the European Commission's Integration Public Consultation: What does ENSIE expect from the Action Plan on Integration and Inclusion, p. 1.

Assessment criterion	*Assessment*
	they faced a shortage of workers. **Third countries** Since the TCN impacted by this measure will already be residing in the territory of the EU, this measure is not likely to result in a net increase in third-country nationals applying for the EU LTR permit, so it is unlikely to result in brain drain from third countries. As the measure will enable TCNs to begin working in the second Member State sooner, it is likely to result in an initial increase in the remittances sent to countries of origin by mobile TCNs, which will benefit the economic stability of the persons receiving these remittances residing in third countries and in turn indirectly benefit the economies of third countries. However, this measure alone as such may not be a key driver for remittances and hence, the extent to which this could be the case is very difficult to estimate due to a multitude of factors at play.
Economic impacts	The potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead. Based on available evidence, this measure will impact 20 Member States which, as mentioned above, apply restrictions to access to the labour market for TCNs. This measure reduces the potential costs for TCNs linked to missed employment opportunities in the second Member State due to the restrictions currently in place during the first 12 months. It would provide TCNs and their families with greater economic stability. This measure is also likely to result in positive impacts to the economy of the second Member State, since TCNs, due to facilitated access to the labour market, are expected to start working earlier than they otherwise would have with the restrictions currently in place. This is expected to contribute to an increase in the wages of mobile TCNs, which would in turn lead to higher tax revenue, increased productivity and consumption, and enhanced economic growth in the second Member State. Lastly, this measure is likely to also have a limited negative impact on Member States, resulting from remittances sent by mobile TCNs, particularly to countries in North Africa. For example, 85% of remittances to Algeria, Morocco and Tunisia originate from the EU-27, with the largest remittance flows being those sent from France ($4.7

Assessment criterion	*Assessment*
	billion), Italy ($2.0 billion), Spain ($1.9 billion), Belgium ($589 million) and Germany ($531 million).[253]
Environmental impacts	No specific environmental impacts identified.
Fundamental rights	This measure will contribute to the right to family and professional life. By facilitating access to employment, this measure also facilitates access to the social security and social assistance rights linked to employment.
Costs	
Administrative and compliance costs	This measure will primarily impact national authorities, introducing administrative and compliance costs. These costs are estimated as follows (per average yearly cost): European Commission • Administrative costs for implementing and communicating the change: 2,455 euro Member States national authorities • Administrative and compliance costs in the 20 Member States affected by this measure to adapt national procedures, and potentially invest in additional staff and training, as well as information material for both staff and potential interested applicants: 118,346 euro
Simplification	By obliging Member States to lift the restrictions they have currently in place, national authorities will also incur cost savings as they would no longer need to follow certain procedural steps. As exact information on the restrictions in place in the 20 Member States is missing, it will not be possible to estimate these. This measure will also result in the simplification of the hiring process for mobile long-term residents and their families from the perspective of the employers and EU LTRs and their family members. This will result in cost savings for Member States national authorities estimated at 47,293 euro over a period of 10 years.[254]

[253] Kalantaryan, S. and McMahon, S., (2021) Remittances in North Africa: sources, scale and significance, Publications Office of the European Union, Luxembourg, 2021, ISBN 978-92-76-29685-0, doi:10.2760/085524, JRC123516, pp. 20-21.

[254] The methodology used for the calculation of costs, the assumptions made, and the detailed calculations are presented in annexes 4 and 6.

Assessment criterion	*Assessment*
Overall assessment	
Overall, this measure will facilitate the hiring process for mobile TCNs and their families, removing some barriers currently faced by this stakeholder group when accessing the labour market of the second Member State. This will in turn facilitate intra-EU mobility of EU LTR permit holders, making the EU LTR scheme more attractive and facilitating the conditions to acquire the EU LTR permit in the second Member State. The measure will contribute to the filling of labour shortages and will provide greater economic stability to mobile TCNs and their families. This measure will lead to cost savings for TCNs and Member States national authorities, with moderate administrative and compliance costs for Member States national authorities.	

Policy Measure 2.13: Shortening the time needed to acquire EU LTR status in the second Member State (three years instead of five years) for those TCNs who already have EU LTR status in the first Member State

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	Currently, as laid out in Article 14(1) of the LTRD, EU LTR holders can apply for long-term resident status in a second Member State after five years of legal residence. This measure proposes to shorten this residence requirement to move to a second Member State from five to three years of legal residence. Whilst this measure applies to people who are already EU LTR status holders, it facilitates their ability to obtain EU LTR status in the second Member State through significantly reducing the period of legal residence. Experts[255] note that five years of continuous legal residence is an excessively long requirement already for the first application of EU LTR status, therefore reducing it to three years for the second Member State will remove a significant barrier to EU LTR status. However, there may be potential resistance from Member States to accept such a lowering of the legal residence period, as in most cases it will be lower than those for national permits which tend to require five years of legal residence.
Objective 2 Facilitate the intra-	As mentioned under objective 1, the majority of national LTR permits require five years of legal residence for LTR status. Nonetheless, in some Member States, TCNs could apply for the national LTR status within a

[255] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021; Consultation with representatives of Civil Society, 20 April 2021; Consultation with the Economic and Social Partners, 5 May 202.

Assessment criterion	*Assessment*
EU mobility	shorter period: in Finland, Hungary and Sweden the requirement for legal residence to obtain a national long-term residence permit is less than five years, whilst in Cyprus there is no residence requirement at all.[256] With this in mind, the measure would increase the attractiveness of the EU LTR status, as third-country nationals could thus obtain the long-term residence status in the second Member State within a shorter period, and thus fully benefit from equal treatment and other rights offered by the status in that Member State too. This will prove as a strong incentive to move to a second Member State and thus increase intra-EU mobility. Stakeholders from the consultations with civil society and economic and social partners argued that removing the current barriers and simplifying the access to mobility to second Member State is crucial to facilitate intra-EU mobility. Yet, stakeholders from the informal Expert Group on Economic Migration (EGEM) note that intra-EU mobility is currently so low (for the purpose of this impact assessment it is estimated that approx. 2% of EU LTR holders moving to a second Member State[257]) also because of the level of investment in the Member State a TCN has when applying to EU LTR, due to all the current requirements.
Objective 3 Improve the rights of long term-residents and their family	The measure would shorten the period for third-country nationals and their families to have access to equal treatment rights associated with the long-term status.
Impacts	
Social impacts	This measure is expected to have the following social impacts on: **Third country nationals** This measure facilitates the possibility for third country nationals to access equal treatment rights and other benefits associated with the EU LTR status also in the second Member State. Stakeholders[258] highlighted that faster access to the long-term residence status in the second Member State will also amplify integration, as it would bring them closer to the EU citizens' right to freedom of movement.

[256] Consultation with representatives of Civil Society, 20 April 2021; EMN (2016) Ad Hoc Query 2016.2013 on the period of validity of residence permits granted to third country nationals (update to GR EMN NCP Ad-Hoc Query on Duration of Residence Permits).

[257] Fifth meeting of the Informal Expert Group on Economic Migration, 14 April 2021.

[258] Second meeting of the EU legal migration practitioner's network, 29 April 2021.

Assessment criterion	*Assessment*
	Whilst this measure will facilitate the temporal burden of applying for long-term residence in a second Member State, it will not be accompanied by any changes in the application procedures and requirements, which means that, depending on the Member State, they would still face an additional burden due to the application procedure in reality not being 'facilitated' in many Member States. **National authorities** The introduction of this measure will result in competent authorities across all Member States to adapt their procedures to accommodate the new timeline, although the changes will be minor as they only concern the period of residence. National competent authorities will have to deal with a relatively higher number of applications, as more TCNs would already become eligible for the status after three years instead of five. This impact will vary depending on the Member States since the quantity of applications received from another Member State varies significantly across Member States.[259] This will mean that Member States like Germany and Sweden could face an additional burden, in comparison to Member States like Cyprus and Estonia. In turn, this may mean that countries processing significant numbers of applications from another Member State may pose resistance to this measure. **Legal practitioners / judiciary** As there are no changes to the application procedures and fees required, the only impact for legal practitioners and judiciary may be to conduct the same work conducted previously, such as providing clarifications and counselling within a smaller timeframe. Potential additional clarifications may be necessary should a reduction in scope to only economically active EU LTR status holders apply. **Employers/Businesses** This measure would mean that employers and businesses would more quickly have access to a pool of qualified legally residing TCNs in other Member States. This will limit the possibility of substantial delays in filling necessary vacancies and help to fill labour shortages. **Third countries** The introduction of this measure is not expected to have an impact on third countries.

[259] In 2020, applications from another MS from EU LTR in Estonia were 0, Cyprus 5, Slovenia 26, Sweden 1602 and Germany 29897 - EMN (2021) AHQ for Impact assessment on revision of the Long-term Residents and Single Permit Directives (Question 1)

Assessment criterion	***Assessment***
Economic impacts	The potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead. The main economic impact from this measure would concern the quicker access of qualified legally residing TCNs to equal treatment and other rights guaranteed under the EU LTR in the second Member State. This may, in some Member States, provide them with faster access to certain benefits not available to them in their current migration status, leading in turn to some increase in transfer payments by the respective Member State. As the measure may also have an impact on intra-EU mobility, it may also bring some increased tax revenue and therefore enhanced economic growth in the second Member State. However, given the substantial variety between applications to a second Member State, this economic impact may be reduced to a few Member States (such as Germany, and Sweden). Other potential economic impacts such as mobility for study purposes or from the increased attractiveness of the EU LTRD, and consequently the EU, are indirect and even more challenging to quantify in relation to this specific measure.
Environmental impacts	No specific impacts on environmental impacts identified.
Fundamental rights	The introduction of this measure would positively impact long-term third-country nationals' right to education and professional life, by facilitating their access to employment and educational opportunities to a second Member State.
Costs	
Administrative and compliance costs	This measure will primarily impact national authorities, introducing administrative and compliance costs. These costs are estimated as follows (over a period of ten years): European Commission • Administrative costs for implementing and communicating the change: 2,455 euro Member States national authorities • The average number of applications receive varies significantly by Member State, which will result in a varied administrative/compliance impact. Overall, this policy measure's compliance costs will be minimal, mostly consist of updating internal procedures (i.e. guidelines), which will not change much

Assessment criterion	*Assessment*
	as the procedure itself will not change. The most impact will be caused by the likely surge in applications as a much larger pool of TCNs would become eligible for the status. Thus the overall administrative and compliance costs for Member States authorities will come to: 55,614 euro
Simplification	The measure would not lead to simplification, as it would merely mean that TCNs can apply for the long-term residence status within a shorter time period.
Overall assessment	
Overall, this policy measure will increase the attractiveness and added value of the EU LTR by facilitating the acquisition of the EU LTR status in the second Member State as TCNs would only have to reside three years in the Member States. It is also expected that this will lead to a small increase in intra-EU mobility, as more status holders would imply a higher share potentially being interested in moving to a second Member State. This increase may result in some national reluctance due to additional administrative burden for Member States that already receive plenty of applications. This measure will result in low administrative and compliance costs for Member States.	

1.2.3 Measures relating to improving the rights of third-country nationals and their family

Policy Measure 2.14: Introducing derogations from the rules on family reunification of Directive 2003/86/EC to facilitate the family reunification for long-term residents

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	This measure would significantly facilitate the conditions to acquire the EU LTR status for family members joining an EU LTR permit holder in the second Member State, as it would allow Member States to count periods of time spent residing in another Member State.
Objective 2 Facilitate the intra-EU mobility	The current provisions of the LTRD frame, to some extent, family reunification for family members of long-term residents moving to other Member States. More specifically, Article 16 of the LTRD grants the right to certain family members (namely nuclear family members such as spouse and minor children) to accompany and join them in a second Member State, if the family was already constituted in the first Member State and if family members apply for residence permit there within the

Assessment criterion	*Assessment*
	first three months after entrance in the second Member State. Member States are obliged to apply these facilitated family reunification rules only with regard to nuclear family members (reference made in Article 16 LTRD to Article 4(1) FRD), while they may also apply them to other family members. Another requirement is for family to be already constituted in the first Member State, and that family members should bring evidence that they held an LTR permit in the first Member State or other type of permit. Formally, no other evidence is required (e.g. income or accommodation) and as such, conditions in Article 16 are simplified compared to the rules on family reunification in the FRD. In practice, a long-term resident wishing to be joined or wishing to move together with family members in a second Member State will have to comply with 'regular' family reunification conditions as set out in the FRD. In addition, several members of the Informal Expert Group on Economic Migration highlighted that family members of EU LTR permit holders often face barriers when trying to access the labour market of the Member States.[260] This measure would entail, as mentioned in more detail below, introducing two derogations from the FRD to the LTRD. One of these derogations would further facilitate intra-EU mobility, namely the derogation from Article 15(1) of the FRD, so that when calculating the years of residence required for the acquisition of an autonomous permit under Article 15 FRD, residence in different Member States shall be cumulated. Member States may require two years of legal and continuous residence immediately prior to the submission of the relevant application within the territory of the Member State where the application for an autonomous residence permit is submitted. This measure is expected to increase the attractiveness of the EU long-term residence permit and encourage intra-EU mobility, as it makes it easier for family members of long-term resident TCNs to move to a second Member State and become economically active.
Objective 3 Improve the rights of long term-residents and their family	As mentioned above, this measure would introduce similar derogations from the FRD to those introduced under Article 17 of the revised Blue Card Directive,[261] to align the rights provided to family members of the EU LTR permit holder closer to the rights granted under the Blue Card Directive, contributing to harmonising the rights of TCN family members across key legal migration instruments.

[260] Fifth meeting of the Informal Expert Group on Economic Migration, 14 April 2021.
[261] Council document 8585/21, LIMITE, 19 May 2021.

Assessment criterion	*Assessment*
	The following derogations from the FRD would be introduced: A derogation from Article 14(1)(b) of the FRD, which would mean that family members of the EU LTR permit holder shall have access to any employment and to self-employed activity in accordance with applicable requirements under national law in the Member State concerned. This derogation would apply to family members joining the EU LTR permit holder in the first and also second Member State. A derogation from Article 15(1) of the FRD, so that when calculating the years of residence required for the acquisition of an autonomous permit, residence in different Member States shall be cumulated. Member States may require two years of legal and continuous residence immediately prior to the submission of the relevant application within the territory of the Member State where the application for an autonomous residence permit is submitted. This derogation would apply to family members joining the EU LTR permit holder in the second Member State. This is in line with the suggestion made by members of the Commission Expert Group on the Views of Migrants, who considered that the family members of EU LTR permit holders should be entitled to facilitated access to the EU LTR permit.[262]
Impacts	
Social impacts	**Third-country nationals** This measure would encourage more family members to join an EU LTR permit holder in the EU. This is expected to result in an increase in the number of family members joining this category of TCNs in the EU, enhancing their integration in the Member State of residence. It will also enhance legal certainty and transparency around the procedures applicable when applying for family reunification in the second Member State. In addition, the measure would facilitate the intra-EU mobility of those family members already residing with the EU LTR permit holder in the first EU Member States and wishing to move to a second one. These family members will be able to benefit from family benefits attached to family reunification in the second Member State, as well as to facilitated labour market access, in line with national requirements. Ultimately, this

[262] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021.

Assessment criterion	*Assessment*
	measure will facilitate family member's access to employment opportunities in the second Member State and allow the periods spent in other Member States to count to obtain an autonomous EU LTR permit, allowing family to start working earlier, which would enhance their prospects for integration and contribute to economic stability. **National authorities** The implementation of this measure will lead to changes in national legislation and/or procedures to cater for the situation of family reunification of long-term residents moving to the EU and those moving to a second Member State. Since this measure would align the EU LTR provisions on family reunification with those in the revised Blue Card Directive, it is expected to result in more harmonised procedures for these categories of TCNs and their families. This measure will imply some changes in terms of procedure and efforts to communicate on this change internally to national administrations and externally to potential applicants, but as these changes will be similar to those introduced for the Blue Card Directive, this is not expected to generate a high administrative burden. **Legal practitioners/judiciary** This measure would provide more clarity to the rules on family reunification of EU LTR permit holders when moving to a second Member State, this being likely to result in a minor decrease in cases raised before administrations and first instance courts for litigation. **Employers/Businesses** It will be easier for employers to hire family members of long-term residents, thanks to a specified and reduced processing time for applications for family reunification and stronger certainty around their status. **Third countries** No specific impact.
Economic impacts	The potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead. This measure is expected to have some positive economic impacts, however, as explained in more detail below, due to a variety of factors at play, it will not be possible to quantify. It is expected that the TCNs affected by this measure will have facilitated access to employment and family benefits in the Member State of

Assessment criterion	*Assessment*
	residence, which will have a positive economic impact on these persons, but it will also allow them to make a greater contribution to the economy and tax system of the Member States. This impact may be difficult to quantify as it depends on the provisions in place in each Member State. This measure will lead to some administrative costs for national authorities. As it will enable a few family members of TCNs to access the labour market more easily, it will result in a benefit to the tax regime and economy of the Member State of residence, with very minor costs to the Member States resulting from the family benefits granted to these family members.
Environmental impacts	No specific environmental impacts identified.
Fundamental rights	This measure will strengthen the right to family reunification and movement within the EU for long-term residents and their family members, and is thus expected to strengthen the right to family life (enshrined in Article 33 of the EU Charter of Fundamental Rights).
Costs	
Administrative and compliance costs	This measure will primarily impact national authorities, introducing administrative and compliance costs. These costs are estimated as follows (per average yearly cost): European Commission • Administrative costs for implementing and communicating the change: 2,455 euro Member States national authorities • Administrative and compliance costs to potentially invest in additional staff and training, as well as information material for both staff and potential interested applicants: 166,046 euro
Simplification	This measure is expected to lead to simplification as the procedures applied for the family members of EU LTR permit holders are similar to the proposed procedure for family members of Blue Card holders. It sets a limit for the processing, decision and notification time for applications for family reunification, contributing to greater administrative efficiency

Assessment criterion	*Assessment*
	in this area. This will result in cost savings for Member States national authorities estimated at 12,781 euro per average yearly cost.[263]
Overall assessment	
Overall, this measure will significantly benefit TCNs and their family members, as it limits the delay in processing applications for family reunification, facilitates access to the labour market, and allows for the accumulation of time spent in different Member States when applying for an EU LTR residence permit for family members. By facilitating the family members' access to the EU LTR status, this measure will contribute to a more coherent and efficient system. It will result in some simplification and harmonisation as it aligns the treatment of EU LTR permit holder family members to Blue Card family members, and will result in moderate administrative and compliance costs for national authorities in all Member States.	

Policy Measure 2.15: Automatically granting the EU LTR status to children of long-term residents born in the EU

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	Currently, it is only national legislation that regulates the status of children of long-term residents. In some Member States, a minor child of a third-country long-term resident has the right to request a permanent resident permit or access to a national permanent status (e.g. in Latvia, Sweden). In other Member States, family members, including minor children of long-term residents receive a temporary residence permit and they would have to satisfy the 'regular' requirements to obtain a long-term residence status/i.e. unless they meet themselves this criteria (e.g. in Belgium, Croatia, Cyprus, Czech Republic, Estonia, Slovenia). In Greece, adult third-country nationals who were born in Greece or have completed six years of schooling in Greece before reaching 21 years of age and who are legal residents in the country can obtain a permit of stay for a duration of 5 years, which is renewed every five years. In its ongoing study on the Fundamental Rights LTR status holders, FRA suggested that the revision of the LTRD consider a similar mechanism.[264]

[263] The methodology used for the calculation of costs, the assumptions made, and the detailed calculations are presented in annexes 4 and 6.

[264] Initial findings shared by FRA from the ongoing study on the Fundamental Rights of Long-term residence status holders, p. 16

Assessment criterion	*Assessment*
	Yet another element to be considered is the fact that, as found by a recent EMN study[265], no EU Member State grants automatic and unconditional citizenship to children born on their territories (the *ius soli* approach) to non-nationals. However, all Member States but six[266] grant citizenship on a conditional *ius soli* approach, whereby applicants and/or their non-national parents must comply with a minimum residence period in the country (ranging from 1 to 10 years).[267] Therefore such conditional *ius soli* may mean that citizenship may be semi-automatic for the majority of children born to EU LTR status holders and residing in the country for the stipulated minimum amount of time. The introduction of this measure will increase the attractiveness of the EU LTR status in comparison to existing national permits, as it will significantly increase the legal certainty and access to rights of minors born in the EU. This is confirmed by stakeholders[268] who underlined how the lack of clarity regarding the rights of family members decreases the attractiveness of the EU LTR status. Moreover, the introduction of this measure will contribute to the objective of a more efficient and fair system by facilitating the conditions to acquire long-term resident status for children of EU LTR status holders by making it automatic. The extent of the impact of this measure to this objective is mitigated by the fact that some children of EU LTR status holders may already have obtained citizenship through conditional *ius soli*. Nonetheless, many children may not be eligible as the residence requirement for their parent(s) is higher than that for EU LTR, or there is no conditional *ius soli*. Another factor influencing the extent of this impact is the quantity of children born to EU LTR holders in the given Member State. Whilst the vast majority of Member States do not collect data on this[269], it appears that this also varies by Member States.[270] Members of the expert panel also noted that if this measure is introduced in conjunction with policy measure 2.18, which prolongs the allowed period of absence outside the EU from 12 to 24 months, it will increase

[265] EMN (2020) Pathways to citizenship for third-country nationals in the EU

[266] AT, CY, EE, EL, IT, SK. See EMN 2020 study on Pathways to citizenship to third-country nationals in the EU: https://ec.europa.eu/home-affairs/sites/default/files/00_eu_emn_study_synthesis_report_citizenship_final_en_0.pdf, p.14

[267] See EMN 2020 study on Pathways to citizenship to third-country nationals in the EU: https://ec.europa.eu/home-affairs/sites/default/files/00_eu_emn_study_synthesis_report_citizenship_final_en_0.pdf, p.5.

[268] Consultation with representatives of Civil Society, 20 April 2021.

[269] AT, BG, CY, EL, FI, FR, DE, HU, LU, NL, PL, SE - EMN (2021) AHQ for Impact assessment on revision of the Long-term Residents and Single Permit Directives (Question 2)

[270] EMN (2021) AHQ for Impact assessment on revision of the Long-term Residents and Single Permit Directives (Question 2)

Assessment criterion	*Assessment*
	its impact and contribution to this policy objective, as it will be able to capture children who may then not be eligible for citizenship.
Objective 2 Facilitate the intra-EU mobility	Currently, as set out in Article 16 of the EU LTRD, family members of EU LTR status holders may accompany or join the long-term resident in the second Member State they choose to move to, as long as they have proof of stable and sufficient resources to maintain themselves and their family members. Therefore, for family members their intra-EU mobility is closely intertwined with the EU LTR status holder they are related to. In addition to this, the 2019 Commission Implementation report notes that some Member States also add additional requirements for family members to move to a second Member State with the EU LTR status holder, such as additional documentation in CZ.[271] In conjunction with this, stakeholders[272] underlined that family members of the EU LTR status holder will be in a more precarious and legally vulnerable situation in the second Member State. Therefore, if children born in an EU Member State to EU LTR status holders were to automatically be granted LTR status, this would enable them to have their own right to movement independently of their families. Without having to submit a new application independently for EU LTR status, they will thus have facilitated access to intra-EU mobility rights.
Objective 3 Improve the rights of long term-residents and their family	Overall, by granting EU LTR holders' children automatic EU LTR status will instantly grant them the rights inherent in EU LTR status. Indeed, stakeholders from the EG on the views of migrants, economic and social partners, informal EG on economic migration, legal migration contact group, civil society and legal practitioners agree that enhancing the rights and legal clarity of EU LTR holders' family holders, especially children is essential. This measure would significantly contribute to enhancing their rights, by granting them automatically. However, this measure could have the adverse effect of reducing circular migration. Experts[273] noted that currently family members of EU LTR status holders are in a more precarious and legally vulnerable situation, as a lack of clarity on their rights pertains. Therefore, by increasing the legal certainty and access to equal rights of EU LTR status holders' children may reduce their propensity to return to their home country.

[271] European Commission (2019) 1055 final, p 8.
[272] Consultation with representatives of Civil Society, 20 April 2021
[273] Consultation with representatives of Civil Society, 20 April 2021; Second meeting of the EU legal migration practitioners network, 29 April 2021; Consultation with the Legal Migration Contact Group, 18 May 2021.

Assessment criterion	*Assessment*
Impacts	
Social impacts	**Third-country nationals** The introduction of this measure will bring positive impacts for third country nationals. It will mean that family members' rights will not be entirely contingent on the EU LTR status holders. Also, for children born in the EU to TCNs, whom have a close affinity to the host country and are well-integrated[274] the automatic granting of EU LTR status will fill the gap of the Member States that do not grant conditional *ius soli* or those that do but require a minimum residence higher than the LTR. However, legal migration experts from the Odysseus Network note that the majority of children of EU LTR status holders may not seek to gain long-term resident status as children but apply once they are adults.[275] Therefore, the demand for such a measure may be limited. **National authorities** The introduction of this measure will impact all Member States to different degrees. The changes to procedures and processes for competent authorities will be minor due to the 'automatic' feature of the measure. These changes will primarily consist of altering guidelines for authorities and information to disseminate to EU LTR holders on new procedures. However, this impact will differ because some Member States already facilitate residence permits for minors born in the EU, whilst others do not. Moreover, the fact that most Member States provide children born in the EU to TCN parents the access to conditional *ius soli* citizenship, points to the fact that national competent authorities may deem this measure unnecessary. Another example is that for France residence permits are not necessary for anyone under the age of 18, and therefore the introduction of this measure could further seem inessential.[276] Conversely, the reduction in administrative burden of registering children born to EU LTR in some Member States (e.g. Slovenia) may be welcome to some national competent authorities. **Legal practitioners/judiciary** The introduction of this measure will bring fewer requirements and procedures for TCN children to acquire EU LTR status, and thus less

[274] OECD/EU (2015) Indicators of Immigrant Integration – Chapter 14 'Third-country nationals in the European Union', p 301
[275] Brainstorming session with legal migration experts from the Odysseus Network, 10 June 2021
[276] EMN (2019) Ad Hoc Query on long-term resident scheme for children

Assessment criterion	*Assessment*
	inputs from legal practitioners. **Employers/Businesses** No significant effects of this measure can be observed for employers and businesses. **Third countries** No significant effects of this measure can be observed for third countries.
Economic impacts	This measure is expected to have some positive economic impacts, however, the potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead. We can assume that the economic impact of this measure will be difficult to estimate, mainly because the vast majority of Member States do not collect data on children born to EU LTR status holders.[277] Those that do, show that numbers vary significantly across Member States (in 2021 two children born to EU LTR in Latvia and 410 in Slovenia). Nevertheless, data shows that in 2019 there were 483,448 million births to TCN women across EU Member States, which accounts for approximately 12% of the overall births across the EU that year.[278] We can assume that a large amount of these TCN women giving birth in the EU and who have not yet naturalised will have LTR status, or are at least eligible to the status. Therefore this may result in an increase in EU LTR holders.
Environmental impacts	No specific impacts on environmental impacts identified.
Fundamental rights	The introduction of this measure will strengthen the rights accorded to children born in the EU, facilitating their access to opportunities and services. In addition, this measure will mostly strengthen the right to family life as per Article 33 in the EU Charter of Fundamental Rights.[279]
Costs	
Administrative and compliance	This measure will primarily impact national authorities, introducing administrative and compliance costs. These costs are estimated as

[277] AT, BG, CY, EL, FI, FR, DE, HU, LU, NL, PL, SE - EMN (2021) AHQ for Impact assessment on revision of the Long-term Residents and Single Permit Directives (Question 2)
[278] https://ec.europa.eu/eurostat/databrowser/view/demo_faczc/default/table?lang=en
[279] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:12012P/TXT&from=EN

Assessment criterion	*Assessment*
costs	follows (average yearly cost): European Commission • Administrative costs for implementing and communicating the change: 2,455 euro Member States national authorities • Administrative and compliance costs to conduct changes to legislation, internal guidelines, as well as human resources in determining how this measure will apply in their national context (i.e. how will the automatic LTR status be communicated to the EU LTR status holder parent). The amendments to the internal guidelines and procedures will be minimal as it will just include the renewed communication process between EU LTR status parents and competent national authorities, as the only requirement will include that at least one parent has EU LTR status: 83,902 euro.
Simplification	This measure foresees administrative simplification, as it will entail less EU LTR applications to be processed of the EU LTR status holder children that were submitting applications after five years of residence. To measure the reduced administrative burden for national authorities, it would be necessary to use the calculation on the estimated increase in children eligible for EU LTR status, and time spent by civil servants to process an EU LTR application to calculate how much less time each Member State will have to spend processing EU LTR applications. This measure will impact Member States differently depending on how many EU LTR status holders they have on their territory (thus impacting the top four Member States receiving EU LTR status applications[280]) and thus how many children are born in the host country to EU LTR status holders. Considering the Member States staff time saved by no longer processing applications for children born from EU LTR parents, this measure will result in costs saving for Member States national authorities, estimated at 76,688 euro over a period of 10 years. Additionally, this measure will bring significant simplification for TCNs who will no longer have to complete applications for their children after five years of residence. This will save them the administrative burden and costs in the form of certificates and legal counselling.
Overall assessment	

[280] AT, CZ, EE, IT, see Eurostat (2021) Long-term residents by citizenship on 31 December of each year, mgr_reslong.

Assessment criterion	*Assessment*
Overall, this measure provides a positive impact for third-country nationals in the additional clarity, certainty and improved integration it will bring for TCN children. This impact may be limited in those Member States where children born to EU LTR status holders may be eligible for conditional *ius soli*. Moreover, this measure will contribute to a more coherent and efficient system by facilitating the acquisition of the EU LTR status. In addition, despite potential resistance in national culture this measure foresees substantial administrative simplification for the process of giving EU LTR status holders' children long-term residence status.	

Policy measure 2.16: Clarifying the access to housing, to include the right to buy immovable property

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	No effect on this policy objective.
Objective 2 Facilitate the intra-EU mobility	No effect on this policy objective.
Objective 3 Improve the rights of long term-residents and their family	Article 11(1)(f) of the LTRD foresees "*equal access to goods and services and the supply of goods and services made available to the public and to procedures for obtaining housing"*. In reference to this provision, Article 11 (2) foresees the possibility for Member States to restrict equal treatment to cases where the registered or usual residence of the long-term resident lies within the concerned Member States' territory. While most Member States extended equal treatment to housing, BG, CZ, LT, LU, and LV did not enact any relevant provisions.[281] In 2019, while 70.7% of EU citizens lived in their own dwelling, home-ownership rates were lower among non-EU citizens. Specifically, only one quarter (23.8 %) of TCNs owned their own home in the European territory. However, on the one hand, according to EUROSTAT, the

[281] COM(2019) 161

Assessment criterion	*Assessment*
	statistics available remain unreliable, and, on the other hand, several factors might influence the low rate of non-EU citizens' ownership. It remains unproven, in fact, the causal link between the low rate of ownership among non-EU citizens and the possible restrictions in place in some Member States that affect the individual right to purchase immovable properties. No precise data are currently available on the exact number of Member States that restrict TCNs' right to buy private houses. From a recent EMN AHQ we know that 11 of the 17 Member States responding claim to not apply exclusions from the right to access to private housing pursuant to Article 11(1)(f) of the LTRD.[282] Five Member States[283] who do apply exclusions mentioned that the conditions are stipulated in national law, and can either be security/defence-related, or subject to national quotas. Among these five Member States, Austria is the one with the highest rate of EU LTR permits, and Finland the lowest. Nonetheless, across the five Member States the quantity is EU LTR permits issued is varied, and due to the lack of data on the remaining 11 Member States, the number of TCNs that could potentially be affected by this measure remains very difficult to estimate. In addition, multiple stakeholders (EU legal migration practitioners network, Contact Group on Legal Migration, Representatives of the Civil Society) argued that the issue of Member States reluctance to let TCNs purchase immovable property has to be addressed. No stakeholders specified any aversion to this policy measure. The Expert Panel also noted the necessity for this measure to specify access to social housing. Only two Member States currently limit equal treatment in respect of social assistance and core benefits to EU LTR holders, showing that this addition may be a welcome addition.[284] Clarifying the Directive's text, specifically Article 11, to stipulate that access to housing includes social housing and the possibility for TCNs and their family members to buy immovable property would give them more housing rights, as well as reducing the difference in treatment exists between TCNs and EU nationals. Third-country nationals and their family members would be able to access housing opportunities, which is expected to improve integration into the receiving society and their living environment and conditions.

[282] CY, EE, EL, FR, DE, HU, LV, LU, NL, PT, SE, SI, SK - EMN (2021) AHQ for Impact assessment on revision of the Long-term Residents and Single Permit Directives (Question 3)
[283] AT, EE, FI, PL, SI - EMN (2021) AHQ for Impact assessment on revision of the Long-term Residents and Single Permit Directives (Question 3)
[284] CY, EL - EMN (2020) Long-Term Resident Status in the EU, p. 3.

Assessment criterion	*Assessment*
	However, from a preliminary analysis, the scale of the issue appears to be limited. Only a few Member States may have restricted access to private housing for TCNs, and thus only those countries would be affected by this (clarified) provision.
Impacts	
Social impacts	**Third-country nationals** A measure aimed at ensuring that the right to access housing as per Article 11 of the Directive also includes social housing and buying immovable properties would allow third-country workers to enjoy a higher degree of equal treatment in those Member States where limitations are in place and reduce discrimination. The clarification is also expected to positively impact TCNs' access to private housing and improve their household's living conditions. This measure is also expected to increase third-country nationals' integration in the country they are residing in. Nevertheless, as mentioned, only few Member States seem to restrict access to private housing, hence the scale of TCNs that would benefit from this measure is likely to be rather small. In addition, in those Member States where such a measure would be implemented, the provision would also improve housing and living standards for family members residing in Europe who cohabitate with permit holders. **National authorities** While this provision is likely to affect only approximately five Member States, the impact on those countries would mainly entitle a greater level of integration of migrants in their respective society. In some cases, the measure could also help reduce spatial segregation. **Legal practitioners/judiciary** No expected impacts on this group of stakeholders. **Employers/Businesses** No expected impacts on this group of stakeholders. **Third countries** No expected impacts on this group of stakeholders.
Economic impacts	This measure is expected to have some positive economic impacts, however, these cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead.

Assessment criterion	*Assessment*
	Given that the scale of the problem appears to be small as it refers only to those countries where national legislation limits TCNs from purchasing real estate, the overall economic impacts might be particularly limited and impossible to quantify. In addition, there is no available data on EU LTR holders' access to social housing. Potential economic impacts relate to slightly increased tax revenues and the economic growth of those concerned Member States. Despite the small scale of this issue, broadening the housing market to additional buyers is likely to impact the local economy positively. Local economies could, in fact, benefit from a small increase in fiscal revenue coming from the relevant real estate taxes paid by TCNs and the local housing market could somewhat improve, yielding better prices for sellers.
Environmental impacts	No specific impacts on environmental impacts identified.
Fundamental rights	The introduction of this measure would help reduce the discrimination (Article 21 of the EU Charter of fundamental rights) faced by some EU LTR holders when seeking access to social housing and buying immovable property. Therefore, this measure is also expected to promote the fundamental non-discrimination right.
Costs	
Administrative and compliance costs	This measure will primarily impact national authorities, introducing some very minor administrative and compliance costs. These costs are estimated as follows (average yearly costs): European Commission • Administrative costs for implementing and communicating the change: 2,455 euro Member States national authorities • Administrative and compliance costs to adapt the current national procedures in those Member States affected: 1,146 euro
Simplification	No specific simplification costs are expected from this measure
Overall assessment	
Overall, this measure is expected to positively impact third-country nationals who will enjoy equal treatment, with marginal costs to national competent authorities. The measure is also likely to improve their household's living conditions in those Member States where restriction	

Assessment criterion	*Assessment*
to private housing is now in place, favouring equal treatment and non-discrimination of TCNs. This measure will result in moderate administrative and compliance costs for Member States.	

Policy Measure 2.17: Aligning the definition of social security (and the export of pensions and family benefits) with the other legal migration Directives, and ensuring full equal treatment with regard to access to social assistance and social protection (beyond the concept of 'core benefits')

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	Aligning definition of social security with other legal migration Directives will ensure a more coherent system and increase the attractiveness of the EU LTR status by clarifying the content of the provisions on equal treatment rights and enhancing the legal certainty attached to the implementation of these rights. Limiting Member States' discretion regarding limitation to equal treatment rights by removing the possible derogation allowing Member States to limit equal treatment in respect of social assistance and social protection to core benefits will participate in increasing the attractiveness of the EU LTR status. This could help in providing a level-playing field between the EU and national LTR schemes in Member States where EU LTRs have less or similar entitlement to social security and social assistance protection rights.
Objective 2 Facilitate the intra-EU mobility	No effect on this policy objective.
Objective 3 Improve the rights of long term-residents and their family	This measure aims to align the provisions under Article 11 of the LTRD, on equal treatment with regards to social security, social assistance, and social protection, with other more recent legal migration Directives. While Article 11(1)(d) refers to social security, social assistance, and social protection defined by national law, all more recent legal migration Directives refer to equal treatment as regards branches of social security as defined in article 3 of Regulation (EC) No 883/2004. The latter provide for a list of ten branches of social security which set a standard that limits Member States' discretion in their interpretation of the concept

Assessment criterion	*Assessment*
	of social security. Stakeholders reported a lack of clarity concerning the transfer of social contributions from one Member State to one other.[285] More recent legal migration Directives provide for equal treatment with regard to the transfer of statutory pensions in case a TCNs move to a third country. This also apply for TCNs' survivors who reside in a third country and who derives rights from TCNs.[286] The alignment of the LTRD with regards to this provision will enable and clarify the transferability of social contributions in case a EU LTR move to another Member State or to a third country. Furthermore, this measure will have the effect of taking away the possibility for Member States to implement such derogation and will clarify further the extent to which Member States can limiting the scope of EU LTR's equal treatment rights. No particular opposition was formulated by stakeholders concerning this measure. However, while representatives of the Civil Society agreed that clauses concerning social security and social assistance should be removed or reduced, some considered that it should be done through a horizontal revision of all legal migration Directives concerned and not by just amending the LTRD.
Impacts	
Social impacts	**Third-country nationals** TCNs will have more legal certainty regarding the extent of their entitlement to social security and social assistance protection. EU LTRs living in Member States where these rights are limited will have enhanced access to social security and social assistance protection as well as the possibility to transfer their statutory pension rights in case of moving to a third country. **National authorities** This measure will have an impact on national authorities of Member States where national law regarding equal treatment rights to social security and social assistance are limited. National authorities of those Member States will need to ensure full access to such entitlements.

[285] Consultation with representatives of Civil Society, 20 April 2021; Second meeting of the EU legal migration practitioners network, 29 April 2021.

[286] Article 12 of the SPD; Article 22 of the S&RD; Article 23 of the SWD; *Art 16 of the compromised text of the BCD.*

Assessment criterion	*Assessment*
	Legal practitioners/judiciary This measure will create a common standard in the field of social security and social protection which will facilitate legal counselling and judiciary procedures. By clarifying the concept of social assistance protection, this measure will make the law more clear, precise, and predictable, which will have the effect of increasing the "legal certainty" attached to the implementation of these rights. **Employers/Businesses** No significant impacts expected. **Third countries** No significant impacts expected on third countries, besides a small positive effect on the portability of rights and pensions to third countries.
Economic impacts	This measure will improve the living conditions of the most vulnerable EU LTR residing in Member States with limited access to social assistance. Improved living conditions could in turn lead to better integration in the society and possibly better employment potential. While it could contribute to economic growth, the potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead.
Environmental impacts	No specific environmental impacts identified.
Fundamental rights	This measure will enhance the fundamental rights of social security and social assistance enshrined under Article 34 of the EU Charter of Fundamental Rights.
Costs	
Administrative and compliance costs	This measure will primarily impact national authorities, introducing administrative and compliance costs at differing degrees. These costs are estimated as follows (average yearly costs): European Commission • Administrative costs for implementing and communicating the change: 2,455 euro Member States national authorities

Assessment criterion	*Assessment*
	• Administrative and compliance costs to carry out legal changes, as well as provide the social benefits (in terms of increased human resources and a higher number or amount of transfer payments): 90,261 euro • The impact will be higher in Member States where national law regarding equal treatment rights to social security and social assistance offer a lower level of entitlement that the one provided in article 3 of Regulation (EC) 883/2004.
Simplification	The harmonisation of the legislation in the field of social security and social protection assistance will simplify the work of legal practitioners and the judiciary. The potential increase in the number of beneficiaries of social benefits will increase administrative burden for the authorities competent to provide those benefits but will simplify their access to EU LTR permits.
Overall assessment	
Overall, this measure will improve the rights of EU LTR status holders and their family members while generating moderate administrative and compliance costs for national authorities. Moreover, this measure will contribute to a more coherent system for acquiring the EU LTR status. However, the achievement of this objective ultimately depends on the level of transposition of the provisions. Indeed, issues regarding equal treatment with regard to social security and social protection have been raised even within the framework of most recent Directives, the main issue being the lack of or incomplete transposition of equal treatment provision by Member States.[287]	

Policy Measure 2.18: Prolonging the allowed period of absence outside the EU from 12 to 24 months

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	The measure would help in providing a greater level-playing field between the EU and national LTR schemes by increasing the attractiveness of the EU LTR permit and ensuring a more coherent system.

[287] Fitness check Annex 2A p 93.

Assessment criterion	*Assessment*
Objective 2 Facilitate the intra-EU mobility	No specific impacts on this objective.
Objective 3 Improve the rights of long term-residents and their family	This measure will further develop EU LTR holder's rights by allowing them to study outside the EU, to maintain family relationship in their country of origin, and to work and study abroad for an extended period of time. Moreover, this measure will increase the period of time EU LTR permit holders can stay outside the EU without needing to provide a justification and/or invoke exceptional circumstances. At present, 16 Member States apply the derogation of Article 9(2) of the LTRD according to which Member States can allow period of absences exceeding 12 consecutive months or for specific or exceptional circumstances.[288] Four Member States do not clearly specify the specific or exceptional circumstances in their national legislations.[289] Extending the period of allowed absence will strongly facilitate the circular migration of the EU long-term residents. The extension of the period of absence meets a general agreement amongst stakeholders. Some voiced that this measure is particularly relevant in a world where mobility is a global phenomenon and considering the Covid-19 pandemic restricting return travels to the EU.[290] The Covid-19 pandemic and the following economic crisis pushed many long-term residents who lost their job to go back to their country of origin for a year or longer and thus lost their EU LTR status.[291] This measure will prevent the loss of status of such persons due to an extended stay out of the territory of the EU for more than a year. Amidst the Contact Group on Legal Migration, only Hungary expressed that the rules related to absence from the territory of the EU are sufficient. Representatives of Lithuania and Croatia, while not opposing the extension of the allowed period of absence, called for a clarification of the concept of absence as they have witnessed situations where some EU

[288] AT, BE, CZ, DE, EE, EL, ES, FI, LT, LU, LV, MT, NL, PL, PT and SI. Fitness Check of EU Legal migration Directives, Task II (Phase 8).
[289] EE, EL, FR and MT.
[290] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021; Consultation with representatives of Civil Society, 20 April 2021..
[291] Initial findings shared by FRA from the ongoing study on the Fundamental Rights of Long-term residence status holders, p. 9

Assessment criterion	*Assessment*
	LTR only come back on their territory for very short periods to reset the counting of their absence period.[292]
Impacts	
Social impacts	**Third-country nationals** TCNs will be able to move for a longer period without fear of losing their EU LTR permit and thus providing them with a more stable legal status. The measure will allow EU LTR to stay outside of the EU without having to come back just to interrupt the counting of the authorised period. Additionally, this measure may encourage skilled professionals that are generally highly mobile to consider job posting in a third country at different stages of their career. The is also true for unemployed EU LTRs who will be able to consider short-term work positions abroad without fearing to lose their status. **National authorities** National authorities will have to adjust their national legislation regarding the period of allowed absence. **Legal practitioners/judiciary** No specific effects are expected, although initially some TCNs may wish to obtain legal advice as to what is allowed within the new period established. **Employers/Businesses** In addition to what is reported under third countries, this measure will have a positive effect on employers and businesses interested in being able to post workers in third countries. Enabling EU LTR holders to study abroad for an extended period of time and come back to apply their acquired skills and knowledge on the EU labour market will also have a positive impact for employers and businesses. **Third countries** By facilitating circular migration, this measure could help to counter the "brain drain" phenomenon as it will allow EU LTR to stay longer in their country of origin, for instance for investment or business purposes. As reported by stakeholders, the measure will have an economic impact in the country of origin as the extension of the period of allowed absence will promote the possibility for migrants coming from developing

[292] Consultation with the Legal Migration Contact Group, 18 May 2021.

Assessment criterion	*Assessment*
	countries to invest back in their countries of origin and to share their knowledge and skills.[293]
Economic impacts	As mentioned above, the measure is likely to lead to a higher number of TCNs returning to their country of origin also for business. This may in turn contribute to economic growth in these countries. This measure is also likely to allow the EU to retain international talent, enabling students to study or conduct work experiences abroad and return, or enabling highly skilled and highly mobile workers to be posted abroad then return to the EU and put into practice the knowledge and skills developed. As the calculations require a high number of assumptions, and involve a variety of factors, the potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead.
Environmental impacts	This type of impact is unlikely to occur.
Fundamental rights	By allowing a longer period of absence, the measure will have an impact on the following fundamental rights and freedoms: -Right to family life, as an EU LTR will be able to maintain family relationship, in particular with family members not covered by the Family Reunification Directive. -Freedom to choose an occupation and right to engage in work as EU LTR TCNs will be entitled to work opportunities equivalent to those of citizens of the Union where these opportunities involve working abroad.
Costs	
Administrative and compliance costs	This measure will primarily impact national authorities, introducing administrative and compliance costs. These costs are estimated as follows (average yearly costs): European Commission • Administrative costs for implementing and communicating the change: 2,455 euro. Member States national authorities • Administrative and compliance costs to revise legislation, as well as introduce a mechanism that would allow for the monitoring of the absences: 95,373 euro.

[293] Consultation with representatives of Civil Society, 20 April 2021.

Assessment criterion	*Assessment*
Simplification	A small effect on simplification as the measure may decrease the cost of pre-departure legal proceeding to justify the specific or exceptional nature of an absence exceeding 12 months.
Overall assessment	
Overall, by extending the period of allowed absence, this measure will facilitate circular migration and have a positive economic impact on third countries. Moreover, this measure will also further develop EU LTR rights by bringing their treatment closer to the treatment given to EU citizens. This would help in providing a more coherent and attractive EU LTR status system and a greater level-playing field between national LTR schemes. Additionally, this measure will enable Member States and the EU to retain talent as EU LTR holders will be able to work and study abroad for an extended period of time and come back to apply their skills on the EU labour market. However, the impact of the measure will ultimately depend on a clarification of the concept of "absence" regarding whether even a short physical stay in the territory of the EU within 12 months period precludes the application of the condition for loss under art 9(1)(c). Finally, this measure will generate low to moderate administrative and compliance costs for national authorities.	

Policy Measure 2.19: Regulating in more detail the procedure to reacquire the EU LTR status following absence

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	Article 9(5) of the LTRD allows Member States to have a facilitated procedure in place for the re-acquisition of the EU LTR status in the event of absences from the EU territory of more than 24 consecutive months. 14 Member States have implemented this provision, albeit in a highly fragmented manner,[294] while the remaining 11 have not.[295] By introducing a regulated procedure allowing TCN to reacquire their long-term residence status in case it was withdrawn, the EU LTR status may become more attractive, as the measure will provide TCN with a more stable status and procedural safeguards in reacquiring their EU status. Moreover, it may facilitate the conditions to (re)acquire the LTR status by reducing the period of required residence, or reducing the number of

[294] BE, BG, CY, CZ, EE, ES, FR, HU, IT, LV, LT, LU, LV, PO, PT.
[295] AT, HR, FI, DE, EL, MT, NL, RO, SK, SI, SE.

Assessment criterion	*Assessment*
	documentary evidences the ex-EU LTR may have to submit. Furthermore, the Covid-19 pandemic and the following economic crisis pushed many long-term residents who lost their job to go back to their country of origin for a year or longer and thus lost their EU LTR status.[296]This measure will help those TCNs to (re)acquire the EU LTR status that was lost for involuntary reasons such as the ongoing pandemic. Overall, this measure would contribute to the objective of a more coherent and efficient system to acquire the EU LTR status.
Objective 2 Facilitate the intra-EU mobility	No specific impact on this objective.
Objective 3 Improve the rights of long term-residents and their family	By allowing a facilitated procedure to re-acquire the EU LTR status, ex-EU LTR and their family members will be able to access the rights attached to the EU LTR permit and enjoy equal treatment in areas covered by the Directive. Moreover, the measure is likely to somewhat enhance circular migration of TCNs, as they would now have the legal certainty that they can reacquire the status in case they are away for a longer period than what is allowed by the LTRD. Regulating the procedure to reacquire the EU LTR status will also regulate Member States' discretion in their implementation as well as insure a certain level of procedural safeguard. Nevertheless, the impact of this measure on the increase in circular migration may be rather limited and difficult to quantify. This measure did not meet any particular opposition during stakeholders consultations. During the consultation with the Contact Group on Legal Migration, only Belgium declared not being in favour of changing the conditions to re-acquire the EU LTR status after exceeding the allowed period of absence from the EU territory.[297]
Impacts	
Social impacts	**Third-country nationals** This measure will ensure that concerned TCNs have legal certainty that there is a procedure for reacquiring the long-term residence status, and

[296] Initial findings shared by FRA from the ongoing study on the Fundamental Rights of Long-term residence status holders, p. 9

[297] Consultation with the Legal Migration Contact Group, 18 May 2021

Assessment criterion	*Assessment*
	that they do not have to start from scratch to obtain the status. **National authorities** National authorities in 10 Member States would need to introduce a new procedure and another 15 Member States would have to adapt the procedure they currently have in place. **Legal practitioners/judiciary** Legal and judiciary aspects concerning the procedure to re-acquire the EU permit will be clarified which will result in simplified proceedings for legal practitioners and judiciary systems. **Employers/Businesses** No specific effects expected, with the exception of what is reported under third countries. **Third countries** TCNs who are able to re-acquire their EU LTR status, will be able to maintain a more stable economic situation which would ultimately allow them to maintain the level of remittances sent to the persons receiving them in the country of origin. Some limited increase in circular migration may also lead to a minor increase in business and investments in third countries.
Economic impacts	As mentioned above, the measure may lead to a minor increase of TCNs returning to their country of origin, also for business. However, the potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead.
Environmental impacts	This type of impact is unlikely to occur.
Fundamental rights	This type of impact is unlikely to occur.
Costs	
Administrative and compliance costs	This measure will primarily impact national authorities, introducing administrative and compliance costs at differing degrees. These costs are estimated as follows (average yearly costs): European Commission • Administrative costs for implementing and communicating the

Assessment criterion	*Assessment*
	change: 2,455 euro. Member States national authorities • Administrative and compliance costs to carry out the legal changes, as well as introducing a new procedure in 11 Member States and 14 Member States which have to adapt their procedure (including training and guidance for national authorities, as well as communication of the changes to TCN): 149,842 euro.
Simplification	The measure will introduce a harmonised procedure in all Member States for reacquiring a lost status. It may lead to simplification in those 15 Member States which already have a procedure in place, but it will add some burden to those 10 Member States which did not have a procedure (and merely required TCNs to reapply for LTR status when eligible).
Overall assessment	
Overall, regulating the procedure to re-acquire the status will help to limit Member States' wide discretion in their implementation of such procedure. Thus, this measure would contribute to the objective of a more coherent and efficient system to acquire the EU LTR status. Ultimately, by providing TCNs with more procedural safeguards and a more stable status, the measure will facilitate circular migration and have a positive impact on the attractiveness of the EU status. This measure will generate low administrative and compliance costs for the Member States.	

1.3 Policy option 3 – Wider legislative revision of the Directive

This option includes **the measures of option 2** while also addressing issues identified with regard to the conditions to acquire the EU LTR status.

1.3.1 Measures relating to facilitating the conditions to acquire the LTR status

Policy Measure 3.1: Allowing periods spent as students to be counted fully

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient	In the current Directive, Member States are not obliged to take into account the residence periods spent as students for the acquisition of the

Assessment criterion	*Assessment*
and fair system to acquire the EU LTR status	EU LTR status, and if they do it, these periods may only be counted as half[298], so that a student who, for example completed a Masters' degree and started working afterwards cannot apply for the LTR status yet, even if he/she can demonstrate to be fully integrated. On the other hand, for the national LTR permit, most Member States count half of the period of time spent as students, with a few exceptions (e.g. Latvia),[299] making the national scheme more attractive in this sense. This measure would therefore contribute to a level-playing field, making the EU LTR status more attractive for potential applicants. Moreover, currently Article 5 establishes that TCN out of scope for EU LTR status are those who "reside in a Member State in order to pursue studies or vocational training". The vast majority of stakeholders agreed that student years should be counted fully within the residence requirement conditions for EU LTR status.[300] This shows that TCN's time as a student or for vocational training can result in long-term ambitions to put down roots in the Member State, and that this should be recognised within the EU LTR conditions. Recognising this through the introduction of this measure and facilitating the possibility for TCNs who have study years to be eligible for EU LTR status, would significantly contribute to a more efficient and fairer system to acquire the EU LTR status.
Objective 2 Facilitate the intra-EU mobility	Facilitating access of certain TCNs to the EU LTR permit would grant them a faster access to the right to move to a second Member State for studies or employment purposes. This measure would therefore indirectly facilitate their intra-EU mobility.
Objective 3 Improve the rights of long term-residents and their family	This measure would grant TCNs who formerly resided with a student residence permit the same treatment granted to other TCNs applying for the EU LTR status, thereby contributing to an improvement in the area of equal treatment.
Impacts	

[298] That is the case in CZ, DE, ES, PL while in FR and IT, none of the student years count: Initial findings shared by FRA from the ongoing study on the Fundamental Rights of Long-term residence status holders, p. 5

[299] EMN (2018) Attracting and retaining international students in the EU, p. 26.

[300] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021; Fifth meeting of the Informal Expert Group on Economic Migration, 14 April 2021; Consultation with representatives of Civil Society, 20 April 2021; Consultation with the Economic and Social Partners, 5 May 2021; Second meeting of the EU legal migration practitioners network, 29 April 2021; Initial findings shared by FRA from the ongoing study on the Fundamental Rights of Long-term residence status holders, p. 5

Assessment criterion	*Assessment*
Social impacts	**Third-country nationals** As highlighted by members of the Informal expert group on economic migration and of the EU legal migration practitioner's network, this measure would have a positive impact on the integration of TCNs and their families in the Member State of residence, as students are often both qualified and integrated after many years spent in a Member State.[301] Indeed, completing studies often require speaking the language and interacting with nationals of the host country. This fosters the development of cultural and social capital, which former students carry beyond their graduation and into the labour market. In addition, by granting TCNs earlier access to the EU LTR status, this measure would grant them full access to the labour market sooner, including the possibility to move to a second Member State for employment or study purposes. This is likely to contribute to greater economic stability for TCNs and their families. **National authorities** National authorities may face an increase in TCNs interested in studying in their country, due to the possibility of accessing the LTR status nearly directly after their studies. Universities and other educational institutes may also witness a rise in students. **Legal practitioners/judiciary** This measure is expected to have a very limited impact on legal practitioners, with some initial requests for clarification received from TCNs and intermediaries concerning the interpretation and application of the new measure. **Employers/Businesses** Employers and businesses will significantly benefit from this measure, as it will allow the EU to retain international talent, broadening the pool of available qualified and legally residing TCNs in the EU. This will allow employers to fill vacancies for highly skilled workers more easily, without needing to recruit talent from outside the EU. **Third countries** Third countries will benefit from a potential increase in the remittances sent by the TCNs affected by this measure. There is, however, a risk that this measure will contribute to brain drain, as TCNs having completed their studies in the EU will be less likely to return to their country of

[301] See the Fifth meeting of the Informal Expert Group on Economic Migration, 14 April 2021 and the Second meeting of the EU legal migration practitioner's network, 29 April 2021.

Assessment criterion	*Assessment*
	origin, as they will have more options to legally reside and work in the EU.
Economic impacts	This measure is expected to lead to an increase in tax revenues, productivity, consumption, remittances, as well as in economic growth. Indeed, at an EU level, this measure would allow the EU to better attract and retain talent, encouraging TCNs who conduct their studies in the EU to stay, allowing the EU labour market to benefit from their acquired talent and skills.[302] Employers will benefit from a larger pool of qualified and legally residing TCNs, allowing them to fill vacancies without needing to recruit persons outside of the EU, therefore avoiding certain administrative procedures. Businesses will be more likely to make investments than they otherwise would be in a situation of labour shortages. This, in turn will contribute to economic growth. At the national level, Member States will be able to benefit earlier from the economic contributions made by employed TCNs to their tax regime. Rather, as mentioned above, this measure may contribute to an increase in the remittances sent to countries of origin. However, the potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead.
Environmental impacts	No environmental impacts identified.
Fundamental rights	This measure will contribute to the right to professional life and family life, as TCNs conducting their studies in the EU will be able to obtain EU LTR status sooner.
Costs	
Administrative and compliance costs	As mentioned above, this measure will result in minor administrative and compliance costs faced by national authorities, for adapting the procedure to enable former students to request the EU LTR status after five years of continuous residence. The measure is likely to lead in the first years of its application to a surge in the number of requests lodged, which would increase temporarily the burden on authorities, but this will even out in time. However, some cost-savings could also occur as national authorities would no longer have to apply a separate procedure for formerly studying TCN (i.e. checking the longer period of continuous

[302] See the Fifth meeting of the Informal Expert Group on Economic Migration, 14 April 2021 and the Second meeting of the EU legal migration practitioner's network, 29 April 2021.

Assessment criterion	*Assessment*
	residence). Overall, the costs resulting from this measure alone for Member States national authorities are estimated at around 69,355 euro (average yearly cost).
Simplification	This measure promises significant simplification as national authorities would apply the same procedure to obtain the EU LTR status to students too. TCNs having resided as students in the five years prior to their application. Accessing the EU LTR status will be simplified for former TCNs students as they will benefit from the same conditions of acquisition of the EU permit. This will also simplify the administrative burden of TCNs wishing to remain in the territory of the Member State where they studied as they will have access to a stable and long-term residence permit.
Overall assessment	
Overall, this measure will contribute to a more coherent and fairer system as well as to increase the attractiveness of the EU LTR status by reducing the period of time needed for TCNs to obtain this status. It will allow the EU to attract and retain international talent, which will contribute to the economies of the Member State of residence. It may have a positive impact on remittances sent to countries of origin, in addition to a potential negative impact on circular migration, with a risk of brain drain for countries of origin. By facilitating the access to the EU LTR status for TCNs who resided as students in the territory of the Member State and are often fully integrated and qualified, this measure is aligned with the spirit of the LTRD making the integration of TCNs who are long-term residents a key element in promoting economic and social cohesion as well as a fundamental objective of the Community stated in the Treaty.[303]	

Policy Measure 3.2: Opening the possibility for Member States to lower the required residence period to apply for the EU LTR status from five to three years, but with intra-EU mobility rights only granted after five years

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to	Article 4(1) of the LTRD lays down the mandatory five-year legal residence period required of successful EU LTR applicants. The EU LTRD emphasises that this residence requirement is the 'main criterion'

[303] Recital 4 of the LTRD.

Assessment criterion	*Assessment*
acquire the EU LTR status	to establish whether a TCN has the intention to put down roots in a country. Nevertheless, a variety of experts[304] noted that this five-year residence requirement for long-term residence is excessively long. In the majority of Member States either acquiring citizenship or long-term residence permits through national schemes currently takes five years, or in some cases even less, therefore the added value of applying for long-term residence and intra-EU mobility through the EU scheme is not clear. Indeed, 12 Member States[305] require five years of residence to obtain citizenship status through naturalisation and five Member States do so for long-term residence status through national schemes[306]. In Denmark, Finland, Hungary and Sweden the requirement for legal residence to obtain a national long-term residence permit is lower than five years, whilst in Cyprus there is no residence requirement at all.[307] In addition, some Member States reduce the required residence period to three years for Stateless persons.[308] Inserting this measure under a "may" clause will mean that Member States can decide whether they wish to implement it or not, which is likely to mean in practice that those 12 Member States which require 5 years of residence to obtain the citizenship status via naturalization might not apply it. In addition, including a "may" clause for this measure would mitigate potential resistance during the negotiations for the LTRD from those Member States who might be reticent to lower the standard threshold of 5 years of residence for the attainment of long-term residence, a risk highlighted by the study expert panel, legal migration experts from the Odysseus Network, and members of the Legal Migration Contact Group.[309] This measure would have a smaller but still positive effect on the level-playing field, making the EU scheme more attractive than their national

[304] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021;, Consultation with representatives of Civil Society, 20 April 2021; Consultation with the Economic and Social Partners, 5 May 2021; PICUM (2020), PICUM Priority recommendations for EU action on labour migration.

[305] BE, BG, CY, CZ, FI, FR, IE, LU, LV, NL, PT, SE, see EMN (2020) Synthesis Report on Pathways to citizenship for third-country nationals in the EU.

[306] BE, BG, LT, LV, SK, EMN (2016) Ad Hoc Query 2016.2013 on the period of validity of residence permits granted to third country nationals (update to GR EMN NCP Ad-Hoc Query on Duration of Residence Permits).

[307] Consultation with representatives of Civil Society, 20 April 2021;, EMN (2016) Ad Hoc Query 2016.2013 on the period of validity of residence permits granted to third country nationals (update to GR EMN NCP Ad-Hoc Query on Duration of Residence Permits).

[308] EMN (2019) EMN Synthesis Report, Pathways to citizenship for third-country nationals in the EU p. 18.

[309] Brainstorming session with legal migration experts from the Odysseus Network, 10 June 2021; Consultation with the Legal Migration Contact Group, 18 May 2021.

Assessment criterion	*Assessment*
	status only in the case of those Member States which opt to apply it. Moreover, it would contribute to a more efficient and fairer system by facilitating the conditions for TCNs with intent to put down roots in the Member State to acquire EU LTR status. Nonetheless, keeping this measure under a 'may clause' will mean that the extent of the impact of this measure will depend on which and how many Member States adopt it.
Objective 2 Facilitate the intra-EU mobility	No impact on this objective, as intra-EU mobility rights would be granted in all cases only after five years.
Objective 3 Improve the rights of long term-residents and their family	This measure will indirectly improve the rights of TCNs and their family by reducing the required residence period from 5 to 3 years, making it easier for potential applicants to access the rights provided by the EU LTR permit in those Member States that would apply this measure. Moreover, this measure is likely to have a positive impact on circular migration as migrants will have more freedom to leave the territory for longer periods of time after 3 years of continuous residence in the EU Member States instead of 5. The extent to which this impact will be significant will depend on the number of Member States which opt to apply this measure.
Impacts	
Social impacts	**Third-country nationals** This measure will significantly shorten the required period of continuous residence to obtain the EU LTR status in those Member States which would choose to apply it, which will provide more legal certainty to TCNs and their families, as well as facilitate their integration into the first Member State. The acquirement of the EU LTR status facilitates intra-EU mobility, widening the options of TCNs when it comes to employment and studies. Stakeholders[310] also highlighted that simplified and increased mobility for EU LTR holders will also amplify integration, as it would bring them closer to the EU citizens' right to freedom of movement in the Member States which opt to apply this measure. The effects of this measure will however be dependent on the number of Member States which apply this measure as well as the other optional measures of this policy option.

[310] Second meeting of the EU legal migration practitioner's network, 29 April 2021.

Assessment criterion	*Assessment*
	National authorities In those Member States which implement this measure, the introduction of this measure will result in competent authorities having to adapt their procedures to accommodate the new timeline, although the changes will be very minor as they only concern the period of residence and are expected to affect less than half of Member States. Especially during the first years, they will have to deal with a relatively higher number of applications, as TCNs would already become eligible for the status after three years instead of five. **Legal practitioners/judiciary** As this measure does not entail changes to the application documentation and fees required, the main impact for legal practitioners and the judiciary will be to conduct the same work conducted previously, such as providing clarifications and counselling. **Employers/Businesses** This measure would mean that employers and businesses would have more quickly access to a pool of qualified legally residing TCNs in other Member States. This will limit the possibility of substantial delays in filling necessary vacancies and help to fill labour shortages. **Third countries** The reduced period of residence needed for TCNs to obtain the EU LTR status may result in TCNs being able to secure more stable work in the EU. This in turn would have a positive impact on the remittances sent by these TCNs to their countries of origin, benefiting the economic stability of the persons receiving these remittances and indirectly benefitting the economy of the country where they reside.
Economic impacts	This measure is expected to contribute to positive economic impacts in those Member States that would opt to apply this measure. However, the potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead.
Environmental impacts	No impact on this objective foreseen.

Assessment criterion	*Assessment*
Fundamental rights	This measure would indirectly contribute to the right to professional and family life by allowing TCNs to become legal residents sooner and therefore allowing them to benefit from facilitated access to the labour market and from the ability for family members of TCNs holding the EU LTR permit to join them.
Costs	
Administrative and compliance costs	Overall, this measure will mostly incur minimal additional administrative and compliance costs for national competent authorities. Indeed, this measure will result in some administrative costs to national authorities in those Member States that choose to apply it. The Member States applying this measure will need to adapt their procedures to shorten the timeline for delivery of the EU LTR status. However, as the procedure itself will not change, compliance costs are expected to be minimal, with most impact being caused by the likely surge in applications as a much larger pool of TCNs would become eligible for the status. Overall, the costs resulting from this measure are estimated to be (per average yearly cost): European Commission • Costs relating to implementing and communicating the changes to the Directive: 2,455 euro. Member States national authorities • Administrative and compliance costs 23,211 euro.
Simplification	The measure would not lead to simplification, as it would merely mean that TCNs can apply for the long-term residence status within a shorter time period.
Overall assessment	
Overall, the benefits of this measure to TCNs, employers and businesses and third countries are expected to be lower than the scenario in which this measure would be integrated under a "shall" clause (measure 4.1), the costs to national authorities are also expected to be lower. Integrating this measure under a "may" clause would reduce the potential reticence of Member States to adopt this measure, providing more flexibility for Member States compared to under measure 4.1.	

Policy Measure 3.3: Opening the possibility for Member States to allow cumulating residence periods in different Member States (subject to a residence in the Member State of application of at least two years)

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	Article 4(1) and (3) of the LTRD strictly enshrine that the five-year mandatory residence requirement must be continuous and uninterrupted. Recital 6 also emphasises that five years is the main criterion to establish whether a TCN is well-integrated and wishes to put down roots in the country. Nonetheless, experts[311] note that the length and continuous nature of the residence requirement is excessive. Stakeholders from the Commission Expert Group on the Views of Migrants highlighted the impossibility to count periods of legal residence spent in two or more Member States as lowering the attractiveness of the EU LTR permit. This measure would make the EU LTR permit more attractive for those Member States that choose to implement it. Moreover, this measure would significantly contribute to help TCNs who may have to go to other Member States for their studies or other opportunities, as long as they have the proof of having legally resided in the EU to obtain EU LTR status. Thus, by facilitating the conditions to acquire the EU LTR status, this measure would contribute to the objective of having a more efficient and fairer system. If the cumulative residence period is accompanied by other proof of the EU LTR applicant's intent to stay in the Member State long-term, there should be no issues in rendering the residence period cumulative.
Objective 2 Facilitate the intra-EU mobility	This measure would encourage intra-EU mobility, as TCNs would be able to cumulate the periods spent in another Member State in order to apply for the EU LTR permit. However, Member States may opt not to implement this measure, there is therefore a risk that the impact of this measure will be considerably weakened if implemented only by a small number of Member States. TCNs would in this case be encouraged to move only between the Member States implementing this measure, which would limit their intra-EU mobility.
Objective 3 Improve the rights of long term-residents and their family	No specific impact on this objective.

[311] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021

Assessment criterion	*Assessment*
Impacts	
Social impacts	**Third-country nationals** Depending on the number of Member States which opt to implement this measure, it will facilitate the access of affected TCNs to the EU LTR status as well as facilitate their access to the labour market of the country where they reside. Depending on other measures relating to intra-EU mobility, this measure may facilitate the access that TCNs have to the labour market of the second Member State. This measure will also contribute to improving the integration of TCNs in the Member State of residence, allowing them to enjoy the rights granted by the EU LTR status earlier. The effects of this measure will largely depend on the number of Member States implementing it. **National authorities** National authorities in those Member States which implement this measure would need to introduce information exchange mechanisms such as EU MOBIL (coordinated by the Commission) to be able to check the validity of the time spent in other Member States. They could either ask TCN to provide certificates from other Member States or exchange this information with other Member States directly. This measure would require coordination between the authorities of different Member States to verify the periods of residence and ensure that conditions to obtain the EU LTR permit are satisfied throughout the period; such coordination could take place within the existing information exchange mechanisms mentioned above. The roles played by the authorities in the first and second Member State would need to be clarified, for example establishing the authority responsible for assessing integration requirements. **Legal practitioners/judiciary** The measure will lead to an initial increase in questions/ consultations with legal practitioners, since applicants may wish to obtain greater clarity on how their time spent in other Member States can be proven through documentary evidence as well as how it will be counted. **Employers/Businesses** This measure would shorten the length of time needed before some TCN can obtain the EU LTR permit in those Member States which choose to implement it. This will limit the possibility of substantial delays in filling necessary vacancies and help to fill labour shortages. **Third countries**

Assessment criterion	*Assessment*
	This measure is not expected to have a significant impact on third countries.
Economic impacts	The potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead. The economic impacts will depend on the number of Member States which choose to implement it. As a result of this measure, some TCNs will benefit from greater legal certainty and economic stability. In addition, by allowing TCNs to de facto be mobile and still obtain the EU LTR status within a 5-year period (or shorter in combination with the measure reducing the minimum period of continuous residence), they could make a better contribution to addressing labour shortages in Member States. However, as prior to becoming eligible for the EU LTR status their applications would not be facilitated, the number of those TCNs actually being mobile is expected to be low and the economic effect negligible, therefore it will not be possible to quantify this impact.
Environmental impacts	No specific environmental impacts foreseen.
Fundamental rights	This measure will indirectly contribute to the right to professional life and the right to family life of those TCNs affected, where Member States have chosen to implement the measure.
Costs	
Administrative and compliance costs	The administrative and compliance costs envisioned within this measure are mostly for national competent authorities. The Member States national authorities which opt to implement this measure will face significant additional administrative and compliance costs from this measure, as they will have to adapt their procedures, issuing guidance and training, as well as communicate the change to EU LTR applicants. In terms of compliance costs, the measure is likely to require additional efforts as national authorities would need to verify that TCNs indeed spent the required period of residence in the other Member State. Overall, the costs are estimated to be (per average yearly cost): European Commission • Costs relating to implementing and communicating the changes to the Directive: 2,455 euro. Member States national authorities

Assessment criterion	*Assessment*
	• Administrative and compliance costs: 133,261 euro.
Simplification	This measure is not expected to have an effect in terms of simplification as it would introduce some additional procedural steps.
Overall assessment	
Overall, this measure will facilitate the access of TCNs to the EU LTR status, making the EU LTR permit more attractive and contributing to a more efficient and fairer system. It will bring economic stability to TCNs, allowing them to count the periods of time spent in other EU Member States. However, it will entail some administrative and compliance costs for those Member States implementing it and its impact on TCN will largely depend on how many Member States choose to implement it. Including this measure with a "may clause" will significantly limit the potential positive effects of the measure for TCNs. However, by leaving scope for national decision in the achievement of the objectives of the Directive's revision as well as respecting national arrangements and circumstances, this measure is particularly conformed to the principles of subsidiarity and proportionality. This could help to overcome possible Member States' reticence in the following negotiations regarding the introduction of this measure by making it an option not mandatory to implement while still having the possibility to satisfactorily achieve the objectives of the revision.	

Policy Measure 3.4: Opening the possibility for Member States to include in the Directive permits issued on temporary grounds

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	Article 3(2)(e) of the LTRD settles that TCN who have been admitted solely on temporary grounds or on permits formally limited, such as temporary work, may not apply for EU LTR status. The implementation of Article 3(2)(e) varied across Member States, with 14 Member States[312] transposing the categories of exclusion in Article (3)(2)(e), six Member States[313] adding categories for exclusion and five Member States[314] with

[312] BE, BG, CY, CZ, EL, HR, IT, LU, LV, MT, NL, PT, SI and SE; EMN (2020) Long-Term Resident Status in the EU, p 3
[313] FR, HR, HU, NL, PL and SK; EMN (2020) Long-Term Resident Status in the EU, p 4
[314] DE, EE, ES, FI and LT; EMN (2020) Long-Term Resident Status in the EU, p 4

Assessment criterion	*Assessment*
	shorter lists of third-country nationals not within the scope. At least seven[315] Member States also count legal residence on temporary or limited periods for the residence requirements for their national LTR schemes. In an attempt to clarify the ambiguous wording of Article 3(2)(e) which may have led to this patchy implementation, the 2012 CJEU *Singh* judgement ruled that the exclusion of such residence is on the basis that temporary or limited residence permit does not "prima facie reflect any intention on the part of such nationals to settle on a long-term basis."[316] Implementation issues were reported in the first Commission Implementation Report. Nonetheless, the vast majority of experts[317] highlight that the blanket exclusion of temporary and/or limited residence permit holders still accounts for a sizeable barrier for TCN with intent to put down roots in the Member States wishing to apply for EU LTR status. This measure would give Member States the option to include TCNs with temporary or formally limited residence permits as eligible for EU LTR status, whilst also clarifying what is within scope under Article 3(2)(e) for those who choose to keep the exclusion. The compulsory clarification of Article 3(2)(e) which applies will impact all Member States, and this definition will have to be in line with the 2012 CJEU *Singh* judgement, and thus all Member States will already have to be familiar and applying it. Therefore, by ensuring all Member States have a uniform understanding of what TCNs with temporary or formally limited permits are within the scope of the EU LTR will ensure a more uniform implementation of Article 3(2)(e). This will facilitate the conditions for TCNs to obtain EU LTR status and contribute to a more coherent, efficient and fair system. This will limit Member States' discretion understanding which Member States with such residence permits have intentions to put down roots in the relevant Member State. In addition to this, giving Member States the opportunity to also remove this exclusion from the conditions to acquire EU LTR status in their Member State will significantly contribute to this policy objective. Whilst the extent of the impact will be limited by the fact that this is an optional measure, we can assume that at least the seven Member States who already include this in their national LTR will incorporate it. The optional inclusion of TCNs with temporary or formally limited

[315] CZ, DE, ES, HR, PT, SE, SI ; EMN (2016) Ad Hoc Query 2016.2013 on the period of validity of residence permits granted to third country nationals (update to GR EMN NCP Ad-Hoc Query on Duration of Residence Permits).

[316] CJEU Judgement of 18 October 2012 in case C-502/10 (*Singh*).

[317] Ibid

Assessment criterion	*Assessment*
	residence permits in the scope of EU LTR will apply to those Member States who choose to adopt it: we can assume that at least the seven Member States[318] that already include TCN with temporary or formally limited residence permits will choose to remove this exclusion from their conditions to acquire EU LTR. Given that the remaining 14 Member States[319], which have national LTR schemes include this exclusion of temporary residence permits, this aspect of this measure may reinforce inequalities between EU LTR and national LTR schemes.
Objective 2 Facilitate the intra-EU mobility	For the Member States that will choose to remove the exclusion of TCNs with temporary or formally limited residence permits from EU LTR status, there may be an increase in EU LTR holders. This will mean that more TCNs will be eligible for intra-EU mobility.
Objective 3 Improve the rights of long term-residents and their family	The varied implementation of Article 3(2)(e) has resulted in not all TCNs having equal treatment when applying for EU LTR status. As clarified in the CJEU *Singh* judgement the exclusion of such residence is on the basis that temporary or limited residence permit do not "prima facie reflect any intention on the part of such nationals to settle on a long-term basis."[320] Enshrining this clarification in the EU LTRD will help strengthen its implementation. For the Member States that would opt for the optional inclusion of TCN with temporary or formally limited residence permits in the scope of EU LTR, more TCNs would have access to the better rights of EU LTR status as opposed to temporary permits. Additionally, experts[321] note that in some cases such TCNs may be victims of labour exploitation who remain stuck in situations of precarious and temporary work, and that long-term residence status would significantly help to ameliorate their situation. Stakeholders[322] also highlighted that women and vulnerable groups are more likely to have temporary permits, and thus are disadvantaged in their access to the EU LTR. Nonetheless, the extent of the impact of this measure will depend on the quantity of and which Member States choose to adopt it. The extent of the impact also depends

[318] CZ, DE, ES, HR, PT, SE, SI ; EMN (2016) Ad Hoc Query 2016.2013 on the period of validity of residence permits granted to third country nationals (update to GR EMN NCP Ad-Hoc Query on Duration of Residence Permits).

[319] BE, BG, CY, EE, EL, FI, FR, HU, IT, LT, LV, NL, PL, SK - EMN (2016) Ad Hoc Query 2016.2013 on the period of validity of residence permits granted to third country nationals (update to GR EMN NCP Ad-Hoc Query on Duration of Residence Permits).

[320] CJEU Judgement of 18 October 2012 in case C-502/10 (*Singh*).

[321] https://picum.org/focus-area/labour/

[322] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021

Assessment criterion	*Assessment*
	on whether the Member States that choose to adopt it are those with many EU LTR applications[323] or many temporary permit holders.[324]
Impacts	
Social impacts	Across all stakeholder categories, the extent of the impact is contingent on how many and which Member States (i.e. whether it is the Member State with many EU LTR permits and/or with many temporary permit holders) choose to remove the exclusion of TCNs with temporary or formally limited residence permits. **Third-country nationals** This measure may bring positive impacts for third-country nationals considering to apply for EU LTR status. With regards to the clarification of Article 3(2)(e) in line with the CJEU *Singh* judgement, this measure will clarify their possibilities to be eligible for EU LTR status. TCNs with temporary or formally limited residence permits with an intent to stay and out down roots in a country will have more clarity about their eligibility, and thus when obtaining EU LTR status will have a more stable permanence in the EU Member States, and in turn facilitated rights to intra-EU mobility and access to the labour market. This clarity will be ensured across all Member States, however in the Member States that choose to remove the exclusion of TCNs with temporary and formally limited residence permits from the conditions to acquire EU LTR altogether, TCNs will have a significantly higher access to EU LTR status and the rights and stability it comes with. However, in these Member States such a measure may require additional bureaucratic requirements to prove different temporary or limited periods of residence, which may be complex when temporary permits have been renewed multiple times. **National authorities** The impact of this measure on competent national authorities will depend on whether they only accept the clarification of Article 3(2)(e) or decide to remove it altogether. In Member States who accept the clarification of Article 3(2)(e) this measure will introduce minor legislative and administrative changes, as well as the necessity to update information to disseminate to EU LTR applicants. For the Member States that already have such procedures in place for their national LTR permits or already produced material to disseminate the clarifications from the 2012 CJEU

[323] AT, CZ, EE, IT account for 88% of EU LTR in 2019, see Eurostat (2021) Long-term residents by citizenship on 31 December of each year, mgr_reslong.

[324] https://ec.europa.eu/eurostat/databrowser/view/tesem110/default/table?lang=en

Assessment criterion	*Assessment*
	Singh clarification, the extent of the impact will be significantly less. For the Member States removing the exclusion altogether, this measure will require some changes to administrative procedures to process EU LTR applications, including necessary legislative changes, training, revision of guidelines and information to disseminate on EU LTR to clarify what is within and beyond the scope of the EU LTRD. For the seven Member States[325] that already include temporary economic agents within the scope of their national LTR schemes, the extent of the impact will be smaller, than Member States that will be introducing this anew. **Legal practitioners/judiciary** The clarification of Article 3(2)(e) will help legal counsellors in having a clearer idea on how to counsel EU LTR applicants on the eligibility of TCNs with temporary or formally limited residence permits. This will be particularly relevant to provide counselling on the additional evidence that may have to be provided. In the Member States removing Article 3(2)(e) this will result in legal practitioners providing extra counselling at the initial phase, to understand the new requirement and new additional evidence required. **Employers/Businesses** We can assume that this measure will most likely help TCNs on several renewed temporary permits or formally limited residence permits gain EU LTR status. Therefore, this measure would bring potential positive impacts for employers and businesses, such as reduction of administrative processes by renewing temporary permits of TCNs employees. Stakeholders[326] highlight how employers must comply with administrative processes and costs when renewing temporary permits, which would happen far less frequently with EU LTR status holders. **Third countries** As a result of this measure, more TCNs will have access to more long-term, and thus potentially more profitable employment. Therefore, this will result in significantly higher remittances for third countries.
Economic impacts	The potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead.

[325] CZ, DE, ES, HR, PT, SE, SI ; EMN (2016) Ad Hoc Query 2016.2013 on the period of validity of residence permits granted to third country nationals (update to GR EMN NCP Ad-Hoc Query on Duration of Residence Permits).

[326] Fifth meeting of the Informal Expert Group on Economic Migration, 14 April 2021.

Assessment criterion	*Assessment*
	Any potential increase in EU LTR applications due to better information/clarity on the exclusion/eligibility of TCNs with temporary or formally limited residence permits, is too difficult to quantify. However, for the Member States that will choose to remove Article 3(2)(e) the expected economic impact is driven by the assumption that more TCNs with temporary permits will become EU LTR holders. Therefore, here too the scale of the economic impact is driven by the expected increase of EU LTRs issued, leading to more TCNs as long-term active participants in the labour market of the respective Member State. However, given that in this measure the removal of Article 3(2)(e) is optional, the potential economic impact is too difficult to quantify, as we cannot know who may or may not opt for it. The scale of the impact will depend not only by how many Member States choose to adopt it, but also which Member State. For instance, the extent of the impact will depend on whether the Member States who choose to adopt it are those who process many EU LTR applications[327] or those who issue more temporary work contracts[328] (e.g. Cyprus) than others (e.g. Romania).
Environmental impacts	No specific impacts on environmental impacts identified.
Fundamental rights	This measure will enhance long-term TCNs' right to education and professional life by facilitating their access to employment and educational opportunities in the Member State they reside in. As mentioned in objective 3, it is possible that TCNs in temporary and limited work situations can be victims of labour exploitation, and experts[329] argue that granting facilitated access to long-term residence status helps them leave situations of such exploitative, irregular and undeclared work.
Costs	
Administrative and compliance costs	The administrative burden and compliance costs of this measure will mostly be faced by national authorities. Nonetheless, the extent of the costs will differ for Member States depending on whether they opt for the clarification of Article 3(2)(e) or its removal. All national authorities in the Member States adopting this measure will

[327] AT, CZ, EE, IT account for 88% of EU LTR in 2019 see Eurostat (2021) Long-term residents by citizenship on 31 December of each year, mgr_reslong.
[328] https://ec.europa.eu/eurostat/databrowser/view/tesem110/default/table?lang=en
[329] https://picum.org/focus-area/labour/

Assessment criterion	*Assessment*
	have to adapt national procedures, legislation and information to be disseminated to third country nationals. For the Member States accepting the clarification of Article 3(2)(e) this should have already been to some extent adopted in national procedures from the 2012 CJEU *Singh* clarification. For Member States removing Article 3(2)(e) the extent of the change to administrative procedures will be less for the seven Member States who already apply this in their national LTR schemes, than for those who need to start afresh. Overall, the costs resulting from this measure alone for Member States national authorities per average really cost are estimated at around 47,104 euro. The costs for the Commission are estimated at 2,455 euro.
Simplification	A more clarified understanding of Article 3(2)(e), but also generally of what 'temporary/formally limited residence permits' potentially within scope of the EU LTR will help simplify the processing of EU LTR applications. For the Member States accepting the clarification of Article 3(2)(e) this will be because EU LTR applicants will have a better idea on whether they are eligible or not (which may lead to less applications of non-eligible applicants) and national authorities are more aware and less frequently should request external counsel on whether an application is successful or not. For Member States choosing to remove the exclusion of temporary/formally limited TCN, this measure will also provide a clarified uniform understanding of which TCN with temporary/formally limited residence permits will be in scope of the EU LTR. This help limit the high level of discretion and thus discrepancy between Member States' readings and interpretations of this exemption.
Overall assessment	
Overall, this measure has the potential to bring positive effects for national authorities and TCNs by facilitating the process and bringing more clarity on Article 3(2)(e). Given the twofold approach of this measure (allowing Member States to either accept the clarification of Article 3(2)(e) or to remove the exclusion of TCN with temporary/formally limited residence permits) will ensure that some impact is obtained in all Member States, despite the inclusion of temporary economic agents in long-term residence schemes being a politically contentious theme. This will allow that the most Member States possible will clarify the eligibility of TCN with temporary/formally limited residence periods, bringing clarity for national authorities processing applications and TCN considering to apply for EU LTR status.	

Policy Measure 3.5: Clarifying and limiting the discretion of Member States in applying the requirement of stable and regular resources, by codifying the CJEU case law

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	Article 5 of the LTRD prescribes that Member States shall ensure that TCN comply with certain conditions. Among the mandatory requirements is that TCN prove they have "stable, regular and sufficient resources without having recourse to the social assistance systems". In most Member States a TCN has to provide proof of having regular income that is at least equivalent to a minimum monthly salary or monthly income or benefit, which differs widely across Member States. Practices also vary on whether family members' salaries are included and on definitions on how 'stable' and 'regular' a salary is.[330] Moreover, it appears in the answers of the 2016 EMN Ad-hoc query that in some Member States, national permanent residence permits are issued especially in cases where TCNs cannot meet the "stable and regular" resources requirement of the EU LTR permit[331]. Moreover, according to the initial findings of the ongoing FRA study on the Fundamental Rights of EU LTR status holders, the stable, sufficient and regular resources requirement is one of the main challenges for TCNs to successfully apply for an EU LTR permit in all countries covered by the project and in particular in Czechia, France and Germany. As mentioned above, Member States have applied the "stable and regular resources" in a wide variety of ways, based on the discretion offered by the LTRD. For instance, during the consultation conducted with the Commission Expert Group on the views of migrants, stakeholders underlined that the resources requirement is particularly difficult to meet for low skilled TCNs working on low wages, students that often can only work part-time or artists and other individual participating in social activities that do not have regular income.[332] The experts interviewed as part of the ongoing FRA study mentioned that in several Member States (BE, CZ, DE), providing proof of "stable and regular income" is a greater challenge for women than for men as the latter are more likely to be employed or to have a sufficient income.[333] In fact, as mentioned under objective 1, some Member States give TCN access to national LTR status particularly because they struggle to have stable and regular resources. In Latvia, for example, national permanent residence permits are issued to persons who cannot qualify for the EU LTR due to the

[330] EMN (2020) Long-Term Resident Status in the EU, p. 12.
[331] EMN (2016) Ad Hoc Query on National residence permits of permanent or unlimited validity
[332] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021
[333] Initial findings shared by FRA from the ongoing study on the Fundamental Rights of Long-Term residence status holders p. 4

Assessment criterion	*Assessment*
	inability to prove the necessary regular financial means. Therefore, integrating the ruling of the CJEU[334] and introducing a specification to clarify and limit Member States' discretion will eventually enhance the level-playing field as TCNs who would currently opt for less restrictive national permanent residence permits would then be able to apply for the EU LTR permits. This would facilitate the conditions to acquire the EU LTR status and, therefore, contribute to a more efficient and fairer system.
Objective 2 Facilitate the intra-EU mobility	As the stable, regular and sufficient resources requirement is also a condition to prove for residence in a second Member States, the measure can have an effect of the objective to facilitate intra-EU mobility for the same reason as above. Moreover, considering the differences in the implementation of this requirement amongst Member States, it is very likely that the resources requirement already proved in the first Member States differs from the level of resources required in the second Member States. Limiting Member States discretion and taking in account the resources acquired in the first Member States, could have the effect of streamlining this aspect of the procedure to move in a second Member States.
Objective 3 Improve the rights of long term-residents and their family	TCNs who could not apply to the EU LTR status for not meeting the resources requirement but who would be able to apply if the measure is implemented, will have access to the rights ensured by the LTRD. In addition, this measure will clarify and limit discretion on the consideration of family members' resources.
Impacts	
Social impacts	This measure is expected to have the following social impacts on: **Third-country nationals** TCNs who are residing in a Member States for at least five years, who are fully integrated in the society and wish to apply for the EU LTR but are currently not able to do so because of not meeting the threshold of the resources requirement will be able to apply for the EU LTR and enjoy the benefits of the status. These potential EU LTR will have access to intra-EU mobility and, depending on the Member States, enhanced equal treatment rights. **National authorities**

[334] CJEU (2010), C-578/08, *Chakroun* ; CJEU (2019), C-302-18, *X. / Belgium*

Assessment criterion	*Assessment*
	Narrowing the discretion left to the authorities to assess if the resources condition is fulfilled may lead to a simplification of the procedure as the measure could establish more explicit indicators for this requirement. **Legal practitioners/judiciary** Clarifying and limiting Member States discretion will simplify legal and judiciary procedures in relation to proving that the self-sufficiency requirement is fulfilled. **Employers/Businesses** No specific impacts identified on employers and businesses. **Third countries** No specific impact on third countries identified.
Economic impacts	This measure is expected to have some positive economic impacts, however, these impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead. Indeed, some minimal positive economic effect could be anticipated, as TCN who previously could not qualify for the EU LTR status would now be able to access it, which could also mean that they would, from that moment onwards, have unlimited access to the labour market. This could have a small positive impact in economic growth, but it will not be possible to quantify.
Environmental impacts	No specific environmental impacts identified.
Fundamental rights	In line with Article 21 of the EU Charter of Fundamental Rights on non-discrimination, this measure will limit Member States discretion and ensure that clearer parameters are set for the "stable, regular and sufficient resources" condition, taking account of exemptions.
Costs	
Administrative and compliance costs	This measure will primarily impact national authorities, introducing minor administrative and compliance costs. This measure will require national authorities to conduct legislative changes regarding the administrative procedures for EU LTR applications. Administration processing the application will have to revise their guidelines for assessing whether the resources requirement is met and communicate the changes. In terms of compliance costs, the measure is likely to increase the number of applications for the EU LTR

Assessment criterion	*Assessment*
	status, but on the other hand to a decrease in the applications for national statuses, with the net effect thus being close to zero. The European Commission will also face costs relating to implementing and communicating the changes to the Directive. Overall, the costs resulting from this measure alone for Member States national authorities per average yearly cost are estimated at around 71,128 euro. The costs for the Commission are estimated at 2,455 euro.
Simplification	As mentioned above, limiting the discretion left to the authorities to assess if the resources condition is fulfilled may lead to a simplification of the procedures to acquire the EU LTR permit. It will ensure all competent national authorities have a uniform understanding of "stable, regular and sufficient resources" across the EU. Moreover, clarifying the elements to take in account in the proportionality assessment of the resources requirement will simplify the evaluation of the resources level by competent authorities and facilitate the submission of documentary evidences for applicants.
Overall assessment	
Overall, the measure will have a positive effect on contributing to a more efficient and fairer system by facilitating the conditions to acquire the EU LTR status. The significance of the impact will depend on the content of the clarification and the limits to Member States discretion that the measure will introduce.	

Policy Measure 3.6: Clarifying and limiting discretion of Member States in applying integration conditions, by codifying the CJEU case law

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU	Article 5 of the LTRD stipulates that Member States may require third-country nationals to comply with integration conditions in accordance with national law. A majority of Member States require applicants for long-term residence to comply with integration conditions[335], in general

[335] AT, BE, CY, EE, EL, FR, HR, IT, LT, LV, LU, MT, NL, PT, RO.

Assessment criterion	*Assessment*
LTR status	requiring knowledge of their official language. Some Member States also require the attendance of civic knowledge courses[336]. Member States have large discretion in applying optional provisions such as the integration requirements. Integration conditions across the 15 Member States[337] that require them from EU LTR applicants vary significantly in substance. Whilst all Member States with integration conditions (except for Luxemburg) include a language requirement, the level of proficiency differs greatly from very basic proficiency in Portugal, B1 level in Croatia, Estonia, Germany and Poland, and no defined level of proficiency in Czechia and Greece. Six Member States[338] also require a proof of knowledge of the Member States, such as knowledge of history and culture or civic education, either through a test or mandatory course. Complex integration requirements act as a barrier for third-country nationals to apply for EU LTR.[339] According to the initial findings of the ongoing FRA study on the Fundamental Rights of LTR status holders, in Member States where no integration conditions apply, accessing the EU LTR status is easier than in countries which apply such conditions. Moreover, experts[340] highlighted how the understanding of 'integration conditions' was ambiguous, which led to this varied implementation. The integration requirement was clarified in the 2015 *P&S* CJEU[341] ruling that specified integration conditions as a *pre-condition* to LTR status. The ruling confirmed that integration conditions may include the "acquisition of knowledge of the language and the society of the host Member States", which will help with the TCN's integration. The ruling also confirmed that such conditions need to respect human rights and proportionality, as well as not be excessively costly to the TCNs. Indeed, experts[342] note that the diversity of integration conditions should not necessarily be seen as a deficit, since an understanding of integration is closely interlinked with concepts of national identity. Therefore, rather than setting fixed integration requirements, the measure would introduce minimum and maximum parameters to limit Member States discretion, aligned with and complementary to those of the CJEU *P&S* ruling which already cover human rights, proportionality and level of fees. Of the

[336] BE – Flanders, FR, HR, LT, LU, RO.

[337] CY, CZ, DE, EE, EL, FR, HR, IT, LV, LT, LU, MT, NL, PL, PT - EMN Inform (2020) Long-Term Resident Status in the EU

[338] DE, FR, IT, LT, MT, NL - EMN Inform (2020) Long-Term Resident Status in the EU

[339] Bocker, A., Strik, T., (2011). Language and Knowledge Tests for Permanent Residence Rights: Help or Hindrance for Integration?. European Journal of Migration and Law. 13. P 178

[340] Thym, Daniel (2016), Long-term Residents Directive 2003. Official Journal L 16. P 458

[341] CJEU (2015), C-579/13, P and S

[342] Thym, Daniel (2016), Long-term Residents Directive 2003. Official Journal L 16. P 458

Assessment criterion	*Assessment*
	stakeholders consulted, experts from the EG on the views of migrants and civil society representatives specified a necessity to further clarify integration conditions for acquiring EU LTR to mitigate Member States discretion, especially with regards to the language requirement and protecting more vulnerable stakeholders. Therefore, this measure will help clarify integration requirements through minimum and maximum parameters which may simplify the application process for EU LTR applicants. These will mean that in some Member States integration conditions for acquisition of EU LTR will be clarified and simplified, thus giving EU LTR status holders a more facilitated access and contributing to a more effective and fairer system. Moreover, in the *P&S* case[343], the CJEU also considered the possibility for Member States to establish integration requirements *after* acquiring the LTR status, ruling that the Directive does not prevent those requirements, as long as they do not result in the withdrawal of the status. Therefore, integrating the ruling of the CJEU and introducing a specification to clarify and limit Member States' discretion will contribute to ensure more coherence and eventually enhance the level-playing field as TCNs who would currently opt for less restrictive national permanent residence permits would then be able to apply for the EU LTR permits.
Objective 2 Facilitate the intra-EU mobility	Article 15 of the EU LTRD specifies that Member States may require third country nationals to comply with integration measures in accordance with national laws, as long as the third country national did not already comply with integration requirements under Article 5 in the first Member States. The only exception are language lessons, which are currently required in France, Germany and Italy.[344] Complex integration requirements can be seen as a significant barrier for third country nationals to submit LTR application and result in fewer applications from third country nationals.[345] The fact that these are also faced a second time for when third country nationals wish to move to a second Member States may then also pose a barrier to intra-EU mobility. A further clarification on the integration requirement in Article 15 may incentivise third country nationals to make use of the intra-EU mobility offered with EU LTR status.

[343] Judgement of 4 June 2015 in case C-579/13 (*P&S*).

[344] EMN Inform (2020) Long-Term Resident Status in the EU pp. 9-10.

[345] Bocker, A., Strik, T., (2011). Language and Knowledge Tests for Permanent Residence Rights: Help or Hindrance for Integration?. European Journal of Migration and Law. 13. P 178

Assessment criterion	*Assessment*
Objective 3 Improve the rights of long term-residents and their family	As mentioned under objective 1, the level of Member States discretion for integration conditions to acquire EU LTR highlights the necessity to clarify a common understanding of 'integration conditions' to ensure all third-country nationals are treated equally when applying for EU LTR status across the Member States. As mentioned under Objective 1, complex integration requirements which vary across Member States act as a barrier for third-country nationals to apply for EU LTR, which can result in fewer applications for long-term residence.[346] In addition, stakeholders[347] argued that the integration conditions disproportionately affect the less educated, economically disadvantaged, very young or very old, women and vulnerable groups. Therefore, this measure could play a role in creating closer synergies between integration requirements across Member States and thus working towards equal treatment and better rights for EU LTR applicants. As mentioned in objective 1, this measure could introduce minimum and maximum parameters for Member States discretion. This is particularly relevant for the language requirement, where a study[348] found that in some countries it was too low to improve the candidates' labour market position or in other cases too high thus excluding potential immigrants. This measure could be better aligned with the parameters on integration requirements as regards proportionality and human rights as set in the CJEU 2015 *P&S* ruling, as well as further contributing to mitigating the disproportionate impact of the integration requirement on more vulnerable stakeholders, by specifying exceptional circumstances in which EU LTR status can be granted without fulfilling integration requirements. Experts[349] suggest a 'hardship clause' could allow the most disproportionately affected vulnerable third-country nationals to obtain the status in light of their individual case. Additionally, experts[350] remarked that more cases of exemptions should be made clear. For example, TCN changing their status from national LTR to EU LTR status should be exempt, and it is counter-productive to require language classes/tests from third countries where the Member States' language is

[346] Bocker, A., Strik, T., (2011). Language and Knowledge Tests for Permanent Residence Rights: Help or Hindrance for Integration?. European Journal of Migration and Law. 13. P 178
[347] Consultation with representatives of Civil Society, 20 April 2021.
[348] Bocker, A., Strik, T., (2011). Language and Knowledge Tests for Permanent Residence Rights: Help or Hindrance for Integration?. European Journal of Migration and Law. 13. P 182
[349] Thym, Daniel (2016), Long-term Residents Directive 2003. P 460
[350] Acosta, Arcarazo, D. (2015), Long-Term Residence as a Post-National Form of Membership. European Law Journal, 21, p 212

Assessment criterion	*Assessment*
	an official language.
Impacts	
Social impacts	**Third-country nationals** The introduction of this measure could have the most impact on third-country nationals applying for LTR status in the 15 Member States that currently require integration conditions, which would benefit from improved legal certainty when applying and fairer integration conditions. **National authorities** The introduction of this measure will mean that the 15 Member States with integration conditions in place will have to amend their legislation and procedures to comply with and amend their existing integration condition requirements. It will however mean that national authorities will have more clarity on how to implement this article. Nonetheless, the INTEC project found that increasing integration requirements usually results in decreasing numbers of applications, which could mitigate the impact of Member States introducing new requirements and procedures.[351] Additionally, three Member States[352] adamantly drove the introduction of Article 5(2) and thus may pose some resistance to its revision. Indeed, it appears that this article and requirement sparked an "intense debate" in the Council and thus may also face resistance from more competent national authorities.[353]Such resistance may be tampered by the fact that this measure will be coherent with the CJEU *P&S* ruling, which most Member States already abide by. **Legal practitioners/judiciary** This measure would facilitate legal practitioners providing advice to third country nationals. By providing clarifications in what is meant by 'integration conditions' legal practitioners will be able to provide more accurate and efficient counselling and thus contribute to more effective implementation of the EU LTRD. **Employers/Businesses** Clarifying and limiting Member States discretion on integration conditions, which as mentioned before, have proven to be a barrier for some TCNs to acquire EU LTR status, may mean that more TCNs will

[351] Bocker, A., Strik, T., (2011). Language and Knowledge Tests for Permanent Residence Rights: Help or Hindrance for Integration?. European Journal of Migration and Law. 13. P 178
[352] AT, DE, NL - Thym, Daniel (2016), Long-term Residents Directive 2003. Official Journal L 16. P 457
[353] Thym, Daniel (2016), Long-term Residents Directive 2003. P 460

Assessment criterion	*Assessment*
	become eligible for EU LTR status. This will mean that employers and businesses will have access to more TCNs with full access to the labour market. Another positive effect of this measure for employers and businesses is that more realistic language requirements may also result in more qualified third-country national EU LTR holders available to be hired. **Third countries** No significant effects of this measure can be observed for third countries.
Economic impacts	This measure is expected to have some positive economic impacts, however, these impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead. We can assume that a clarification of the requirement and limitation on discretion of Member States in setting it will mean that some Member States may reduce their integration requirement whilst others may add or introduce new procedures. Based on a previous study[354] that suggests that more integration requirements result in fewer applications for some Member States, this measure may result in increases in applications as the integration conditions are reduced, which may lead to an increase in tax revenue. In addition, should this measure result in higher language requirements, this may lead to more qualified third-country nationals which can be more readily absorbed into the labour market in the EU. However, given that there are too many variables in this measure (i.e. what recommended maximum/minimum parameters for integration conditions could be, how these will be incorporated into national contexts and how many TCNs are not applying due to barriers from integration conditions) an estimated shift in applications that meaningfully reflects the economic impact of this measure is difficult to measure.
Environmental impacts	No specific impacts on environmental impacts identified.

[354] Bocker, A., Strik, T., (2011). Language and Knowledge Tests for Permanent Residence Rights: Help or Hindrance for Integration?. European Journal of Migration and Law. 13. P 178

Assessment criterion	*Assessment*
Fundamental rights	Clarifying exemptions from integration conditions and including a 'hardship clause', will help reduce the disproportionate impact they have on vulnerable stakeholders. Some 'well-integrated' third-country nationals may not fulfil integration conditions on the basis of their level of education, disabilities, gender or vulnerabilities. Therefore, in line with Article 21 of the EU Charter of Fundamental Rights on non-discrimination, this measure will ensure that vulnerabilities impeding the fulfilment of integration conditions are considered.
Costs	
Administrative and compliance costs	The introduction of this measure foresees a variety of additional administrative and compliance costs. The stakeholder category shouldering the most costs from this measure are national authorities. With regards to costs for national authorities, current data points to the fact that this measure will most likely introduce minimal costs which will impact the 15 Member States that currently have integration conditions. This measure will less likely also impact Member States that do not currently have integration requirements, should they choose to introduce them after the measure comes into force. Overall, Member States would face compliance costs at differing degrees depending on the existence of integration requirements in the revision of legislation and internal procedures (i.e. training and guidelines to be amended for Member States with integration requirements and to be produced anew for other Member States). This measure would also mean additional human resources to identify how the national integration requirement would be aligned with the new clarifications, both for acquiring EU LTR status within their Member States but potentially also national LTR permits. These resources will vary significantly depending on whether a Member States has integration requirements considering introducing them and how big the difference between the Member States' integration requirement and the new clarifications is. **Costs to third country nationals** Depending on the clarifications provided in the integration requirement (whether it will result in more or less integration conditions) it could cause some more costs for third-country nationals, in having to obtain more certifications and attend courses/tests. However, the extent of these costs will be mitigated by the CJEU *P&S* case, ruling that they must not be excessive (in the case where they cost hundreds of euros this was considered excessive), and the policy measure could even lead to some

Assessment criterion	*Assessment*
	simplification. Overall, the costs resulting from this measure alone per average yearly cost for Member States national authorities at around 80,716 euro. The costs for the Commission are estimated at 2,455 euro.
Simplification	The introduction of this measure could potentially lead to a reduction in complexity of integration conditions required of third country nationals. This could result in a simplified process both for third-country nationals and competent national authorities once it is fully transposed.
Overall assessment	
Overall, this measure would help overcome the varied implementation across EU Member States on the "integration requirements" condition, by ensuring a level playing field with national LTR schemes and facilitating the conditions for the acquisition EU LTR status. Most importantly, this measure will ensure equal treatment of all EU LTR applicants across the EU with regard to this provision, and improve the rights of some EU LTR holders and family members moving to a second Member States. In addition, further provisions to protect the most vulnerable, through clearer exemptions from the integration requirement and a 'hardship clause' for applicants in particular situations of vulnerability, will significantly improve the equal treatment of EU LTR applicants.[355] The clarifications already provided in the CJEU *P&S* ruling should make this provision more politically palatable, and less costly in terms of administrative and compliance costs.	

0.4 Policy option 4 – Major legislative revision of the Directive

This option includes the relevant **measures of option 3** (improved rights, facilitated circular migration, prevention of abuse, facilitated conditions to acquire the status), plus three new policy measures.

Policy Measure 4.1: Create a fully harmonised EU permanent residence status, by not allowing Member States to keep their national permanent residence schemes

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient	Under Article 13 of the LTRD, Member States can still have their

[355] For instance, some MS (CZ, DE, FR, IT) waive language and/or integration requirements for persons with learning difficulties or disabilities: Initial findings shared by FRA from the ongoing study on the Fundamental Rights of Long-term residence status holders, p.6

Assessment criterion	*Assessment*
and fair system to acquire the EU LTR status	parallel national long-term residence schemes. Currently 21 Member States have national permits[356], meaning that such a measure would only impact them. EUROSTAT data points to the fact that in many Member States the national LTR permits are used far more than EU LTR permits, as in 2019 71% of LTR permits were under national and 29% under EU LTR schemes.[357] Some other EU legal migration directives tackle this issue through abolishing the use of national statuses, namely the "intra-corporate transferees (ICT) directive" Directive 2014/66/EU[358], "seasonal workers directive" 2014/36/EU[359] and the "students and researchers directive" Recast Directive (EU) 2016/801.[360] Nonetheless, the expert panel noted that this is a particularly politically sensitive and problematic proposition, very reluctantly agreed upon by Member States. In addition to this, whilst all stakeholders agree that the EU LTR is under-used in comparison to national schemes, none proposed abolishing national schemes as a policy measure. In particular, members from the contact group on legal migration argued that this measure should not be introduced. Nonetheless, abolishing the national statuses, rather than creating a level-playing field between the EU and national LTR schemes, would only allow a single status which provides the same conditions and rights across the EU. As the conditions for acquisition between national and EU LTR permits varies, in some Member States where the national permit conditions are more favourable than EU LTR this measure would have an adverse effect on this policy objective, and vice versa. Nonetheless, the expert panel noted that Member States have a preference towards their national LTR permits, and thus are likely to make the conditions equal if not more favourable to EU LTR status. In addition, the more opportunities there are for long-term resident status (through national and/or EU schemes) the more TCNs are likely to find a scheme under which they are eligible and which suits their residence within the EU. Therefore, this measure may not always have a positive contribution to facilitate conditions for TCNs to obtain general long-term status. The impact of this measure on the policy objective of creating a more

[356] BE, BG, CZ, CY, DE, EE, EL, ES, FI, FR, HR, HU, IT, LT, LV, NL, PL, PT, SE, SI, SK - EMN (2016) Ad Hoc Query 2016.2013 on the period of validity of residence permits granted to third country nationals (update to GR EMN NCP Ad-Hoc Query on Duration of Residence Permits).

[357] Eurostat - Data Explorer (europa.eu) [migr_reslong]

[358] Article 4: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0066&from=EN

[359] Article 4 : https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0036&from=EN

[360] Article 4 :https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016L0801&from=EN

Assessment criterion	*Assessment*
	coherent and efficient system to acquire the EU LTR status would thus be significant.
Objective 2 Facilitate the intra-EU mobility	The main added value and central novelty brought by the LTRD in comparison with national permits is its access to intra-EU mobility.[361] Indeed Articles 14, 15, 16 and 18 enshrine the conditions for an EU LTR holder to reside and work in another Member State. Nonetheless, the 2019 Commission Implementation Report argues that intra-EU mobility as being one of the most problematic issues, with patchy Member States' implementation and transposition. Once the measure would be in place, all those entitled to the long-term residence status would be able to benefit from facilitated intra-EU mobility as per the LTRD, which would thus have a substantial impact on this policy objective. However, stakeholders[362] highlight that the main barriers to intra-EU mobility are the disproportionate pre-conditions, which would still remain – thus limiting the extent of the impact.
Objective 3 Improve the rights of long term-residents and their family	The impact on this policy objective would be varied across the 21 Member States with national LTR schemes. Firstly, across all Member States this measure would have a very high impact in ensuring that TCNs wishing to apply for long-term residence scheme are all treated equally. However, with regards to improving the rights accessible to EU LTR holders and their family members this will depend on the Member States. The expert panel noted that in some Member States the rights and conditions offered under national LTR schemes are considered more favourable than for EU LTR, therefore this may result in a reduction of rights. For example, in Finland, Hungary and Sweden the requirement for legal residence to obtain a national long-term residence permit is lower than five years, whilst in Cyprus there is no residence requirement at all.[363] However, the inverse situation applies, where national LTR schemes offered less rights ensuring that all TCNs must apply for EU LTR status will offer more rights. An example of this, in conjunction with objective 1, is the fact that the facilitation to reside and work in a second Member States is not offered under national permits.

[361] Thym, Daniel (2016), Long-term Residents Directive 2003. Official Journal L 16. P 498

[362] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021; Consultation of the European Network of the Public Employment Services, 10 March 2021; Fifth meeting of the Informal Expert Group on Economic Migration, 14 April 2021; Consultation with representatives of Civil Society, 20 April 2021; Consultation with the Economic and Social Partners, 5 May 2021;

[363] Consultation with representatives of Civil Society, 20 April 2021; EMN (2016) Ad Hoc Query 2016.2013 on the period of validity of residence permits granted to third country nationals (update to GR EMN NCP Ad-Hoc Query on Duration of Residence Permits).

Assessment criterion	*Assessment*
Impacts	
Social impacts	**Third-country nationals** TCNs who are entitled to the long-term residence status would all be subject to the same conditions to acquire long-term residence, and benefit from the same rights across the EU. Legal certainty would be enhanced as they would no longer have to choose between one status or another, without possibly being well informed of the benefits and disadvantages of each. They may, as a result, also become more inclined to become mobile across the EU. However, in some Member States currently offering better conditions in some areas as part of the national status, as mentioned in objective 4, TCN would be somewhat disadvantaged. **National authorities** National authorities may be reluctant to abolish the national status, which in some of the 21 Member States having such status in place, may have pre-dated the LTRD. As mentioned under objective 1, the expert panel noted how difficult this provision was to introduce to other legal migration directives, and that regardless national implementation was not smooth due to this Member States reluctance. Nonetheless, as further described below, having a single long-term residence status would bring important simplification, as Member States would no longer have to operate two separate application procedures, and guarantee different rights depending on the status granted. **Legal practitioners/judiciary** The measure would also lead to simplification for legal practitioners and the judiciary, as they would provide assistance and review a single status, instead of two different ones, in 21 Member States. **Employers/Businesses** Assuming that the measure contributes to a rise in intra-EU mobility, employers in the second Member States would be able to benefit from a larger pool of TCNs with facilitated access to the labour market in the second Member States. As detailed under measure 2.7 above (Allowing TCNs to start working or studying in the second Member States while their application is being assessed), this is expected to help decrease labour shortages in Member States and allow, as an indirect effect, businesses to increase their investments as they would have increased certainty of being able to attract qualified and already legally residing TCNs. Also, there may be some displacement effect as TCN may be more drawn to higher-income Member States).

Assessment criterion	*Assessment*
	Third countries The introduction of this measure will mean more TCNs eligible for long-term residence will have intra-EU mobility rights, as the EU LTR status is the only scheme they can opt for. This will lead to access to opportunities across EU Member States, and thus potentially access to higher wages, which in turn could have a minimal impact on increases in remittances.
Economic impacts	The potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead. The assumption driving the economic impact of this policy measure, is that it will lead to increased intra-EU mobility of TCNs, as they will all have EU LTR status which accords intra-EU mobility rights, in contrast to national LTR schemes which did not. This will lead to an increase in tax revenue, economic growth and remittances, as well as productivity and consumption. Such a measure would mean that in the 21 Member States[364], which currently have national permits, there would be an increase in TCNs acquiring EU LTR status. However, since access to the labour market is the same for EU LTR holders and national LTR permit holders, we do not foresee an economic impact change in this instance. However, assuming that the policy measure would lead to increased intra-EU mobility of LTR residents for the purpose of work, since TCNs who previously had national LTR status without intra-EU mobility rights would now obtain them. This could induce increased tax revenue and enhanced economic growth in the second Member States, more specifically on its labour market.
Environmental impacts	No specific impacts on environmental impacts identified.
Fundamental rights	This measure positively impacts the rights to education, to freedom of movement, and professional life of long-term third-country nationals as it enables a larger pool of TCN to benefit from facilitated admission to another Member States.

[364] BE, BG, CZ, CY, DE, EE, EL, ES, FI, FR, HR, HU, IT, LT, LV, NL, PL, PT, SE, SI, SK - EMN (2016) Ad Hoc Query 2016.2013 on the period of validity of residence permits granted to third country nationals (update to GR EMN NCP Ad-Hoc Query on Duration of Residence Permits).

Assessment criterion	*Assessment*
Costs	
Administrative and compliance costs	Overall, this measure would mostly impact national authorities with regards to additional administrative and compliance costs. Based on available evidence, this measure will impact the 21 Member States with national LTR schemes. The policy measure brings some initial additional administrative and compliance costs to national authorities that will have to adapt their procedures. The extent of these compliance costs will depend on how different the conditions for their national LTR status were to EU LTR status. National competent authorities will also face a heavy administrative burden in the initial phases of this measure, to ensure all national LTR holders are transitioned to obtain EU LTR status. National authorities in these countries will also have to amend information to disseminate to TCNs. The extent of the burden felt in individual Member States will depend significantly on the number of national LTR statuses in a given Member States.[365] In addition, Member States which offered better or worse rights to TCNs under the national status may now experience either a decrease or an increase in costs for social benefits, etc. However, these costs are assumed to be rather low, considering that most Member States offer similar rights under both statuses. It will not be possible to provide an estimate, as data on the exact rights offered under the national statuses is not available. The European Commission will also face costs relating to implementing and communicating the changes to the Directive. Overall, the costs resulting from this measure alone for Member States national authorities per average yearly cost are estimated at around 129,190 euro. The costs for the Commission are estimated at 8,182 euro.
Simplification	This measure will bring important simplification and a reduction in the administrative burden for Member States, as they would operate one single long-term residence procedure.
Overall assessment	
Overall, the measure will have a strong positive effect on TCNs and employers, mostly because of the assumed increase in intra-EU mobility. Whilst the measure also promises substantial simplification for national authorities, the measure may not be politically viable as national authorities will be reluctant to give up a status which may have been in place for	

[365] Eurostat - Data Explorer (europa.eu) [migr_reslong]

Assessment criterion	*Assessment*
many years. Also, TCNs may no longer benefit from better conditions and rights offered under the national statuses.	

Policy Measure 4.2: Lower the required residence period to acquire the EU LTR status from five to three years

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	Article 4(1) of the LTRD lays down the mandatory five-year legal residence period required of successful EU LTR applicants. Recital 6 of the EU LTRD defines this as the 'main criterion' to establish whether a TCN has effectively "put down roots in the country". Nonetheless, several experts[366] argued that the five-year residence period is excessively long. In the majority of Member States either acquiring citizenship or long-term residence permits through national schemes currently takes five years, or in some cases even less, therefore the added value of applying for long-term residence and intra-EU mobility through the EU scheme is not clear. Indeed, 12 Member States[367] require five years of residence to obtain citizenship status through naturalisation and five Member States do so for long-term residence status through national schemes[368]. In Finland, Hungary and Sweden the requirement for legal residence to obtain a national long-term residence permit is lower than five years, whilst in Cyprus there is no residence requirement at all.[369] In addition, some Member States reduce the required residence period to three years for Stateless persons.[370] The fact that for the majority of Member States the minimum residence requirement for citizenship is five years (or in some cases slightly more) shows that reducing the residence period will enable EU LTR status to

[366] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021; Consultation with representatives of Civil Society, 20 April 2021;Consultation with the Economic and Social Partners, 5 May 2021; PICUM (2020), PICUM Priority recommendations for EU action on labour migration

[367] BE, BG, CY, CZ, FI, FR, IE, LU, LV, NL, PT, SE, see EMN (2020) Synthesis Report on Pathways to citizenship for third-country nationals in the EU.

[368] BE, BG, LT, LV, SK, EMN (2016) Ad Hoc Query 2016.2013 on the period of validity of residence permits granted to third country nationals (update to GR EMN NCP Ad-Hoc Query on Duration of Residence Permits).

[369] Consultation with representatives of Civil Society, 20 April 2021;, EMN (2016) Ad Hoc Query 2016.2013 on the period of validity of residence permits granted to third country nationals (update to GR EMN NCP Ad-Hoc Query on Duration of Residence Permits).

[370] EMN (2019) EMN Synthesis Report, Pathways to citizenship for third-country nationals in the EU p. 18.

Assessment criterion	*Assessment*
	become a more achievable precursor (rather than competitor) to citizenship. This measure would imply an improved use of the EU LTR status as all legally residing third-country nationals in the EU would be able to apply after three years instead of five, while at the same time complying with the other conditions. Therefore, a lower residence requirement, accompanied by the other EU LTR requirements can facilitate the conditions to acquire EU LTR status for TCNs that have a meaningful intention to 'put down roots in the country'. Therefore, this measure would contribute to the objective of a more efficient and fairer system. However, as highlighted by the expert panel and, also by other legal migration experts,[371] this measure is likely to face significant resistance from Member States, since a similar measure was proposed during the Blue Card Directive negotiations for highly skilled migrants and it was not accepted. Members of the Legal Migration Contact Group voiced a similar concern, stating that Member States might be reticent to lower the standard threshold of 5 years of residence for the attainment of long-term residence.[372]
Objective 2 Facilitate the intra-EU mobility	This measure would make the EU LTR status more attractive, which would lead to an increased number of TCNs applying for the status and making use of intra-EU mobility. This measure therefore contributes to intra-EU mobility becoming a tool to rectify labour mismatches by facilitating the filling of shortages and alleviating the burden of unemployment in other Member States.
Objective 3 Improve the rights of long term-residents and their family	This measure will indirectly improve the rights of TCNs and their family by reducing the required residence period from 5 to 3 years, making it easier for potential applicants to access the rights provided by the EU LTR permit. Moreover, this measure is likely to have a positive impact on circular migration as migrants will have more freedom to leave the territory for longer periods of time after 3 years of continuous residence in the EU Member States instead of 5.
Impacts	
Social impacts	**Third-country nationals** This measure will significantly shorten the required period of continuous residence for acquiring the EU LTR status, which will provide more legal

[371] Brainstorming session with legal migration experts from the Odysseus Network, 10 June 2021.
[372] Consultation with the Legal Migration Contact Group, 18 May 2021.

Assessment criterion	*Assessment*
	certainty to TCNs and their families, as well as facilitate their integration into the first Member States. Stakeholders[373] also highlighted that simplified and increased mobility for EU LTR holders will also improve integration, as it would bring them closer to the EU citizens' right to freedom of movement. This measure would also facilitate the access of TCNs and their family to the labour market, allowing permit holders to benefit earlier from the rights granted by the EU LTR scheme, including for example the possibility to become self-employed. It may also lead to a minor reduction in labour exploitation, as obtaining the LTR status would mean that TCNs are no longer bound to a single employer (as they are for example in at least four Member States under the Single permit Directive).[374] **National authorities** The introduction of this measure will result in competent authorities across all Member States to adapt their procedures to accommodate the new timeline, although the changes will be minor as they only concern the period of residence. Especially during the first years, they will have to deal with a relatively higher number of applications, as TCNs would already become eligible for the status after three years instead of five. The number of TCNs applying wanting to move to a second Member States may also increase, for the same reason. The increased burden will affect in particular those Member States with high numbers of TCNs with resident permits (stock) and possibly those Member States where demand for labour may be high, as they become attractive to TCN interested in intra-EU mobility. The quantity of applications received from EU LTR holders differs greatly across national contexts. According to Eurostat data on long-term residents by citizenship, in 2019 four Member States accounted for 88% of all EU long-term residence permits issued.[375] These four Member States are therefore likely to be the most heavily affected by this measure. **Legal practitioners/judiciary** As this measure does not entail changes to the application documentation and fees required, the main impact for legal practitioners and the judiciary will be to conduct the same work conducted previously, such as

[373] Second meeting of the EU legal migration practitioner's network, 29 April 2021.
[374] EE, HU, MT, PL, Responses provided by the Legal Migration Practitioners' Network.
[375] AT, CZ, EE, IT, see Eurostat (2021) Long-term residents by citizenship on 31 December of each year, mgr_reslong.

Assessment criterion	*Assessment*
	providing clarifications and counselling. **Employers/Businesses** This measure would mean that employers and businesses would have quicker access to a pool of qualified legally residing TCNs in other Member States. This will limit the possibility of substantial delays in filling necessary vacancies and help to fill labour shortages. **Third countries** The reduced period of residence needed for TCNs to obtain the EU LTR status may result in TCN being able to secure more stable work in the EU. This in turn would have a positive impact on the remittances sent by these TCNs to their countries of origin, benefiting the economic stability of the persons receiving these remittances and indirectly benefitting the economy of the country where they reside.
Economic impacts	This measure is expected to have some positive economic impacts, however, these impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead. This measure will facilitate quicker access of qualified legally residing third-country nationals to the EU labour market. It could also reduce the necessity to recruit people from outside the Union and make the best use of the already-residing workforce across the EU. At national-level, this measure will bring increased tax revenue and therefore enhanced economic growth in the second Member States. However, due to the small number of EU LTR holders that look to legally reside in a second Member States the potential economic impact may be limited. In addition, as mentioned under social impacts, this measure will allow TCNs to benefit sooner from facilitated access to the labour market and it will make a positive contribution to their integration. This is also likely to result in economic gains for TCNs, however due to the many factors involved, it will not be possible to quantify these gains. The measure will bring economic stability and legal certainty to TCN receiving the EU LTR permit and will contribute positively to the remittances these TCNs send to their countries of origin. From the perspective of the employer/business sector, this measure will contribute to making a larger pool of qualified and legally-residing candidates, which may help fill vacancies and labour-shortages. However, due to the variety of factors at play, it will not be possible to quantify these effects.

Assessment criterion	*Assessment*
Environmental impacts	No environmental impacts identified.
Fundamental rights	This measure would indirectly contribute to the right to professional and family life by allowing TCNs to become long-term residents sooner and therefore allowing them sooner to benefit from full access to the labour market.
Costs	
Administrative and compliance costs	The introduction of this measure will incur additional administrative and compliance costs, especially for national authorities and European Commission officials. These costs are estimated to be the following: National authorities • Administrative and compliance costs: 48,418 euro (average yearly cost). European Commission • Costs relating to implementing and communicating the changes to the Directive, estimated at 2,455 euro (average yearly cost).
Simplification	Since a facilitated access to the EU LTR permit would mean that less TCNs need to renew their temporary permits, the measure would lead to simplification from the perspective of the authorities and services processing applications for the renewal of temporary permits. This would in turn result in cost savings incurred by these authorities thanks to a lower workload.
Overall assessment	
Overall, this measure will increase the attractiveness and contribute to a more efficient and fairer system by facilitating the acquisition of the EU LTR status as TCNs would only have to reside three years in the Member States. It is also expected that this will lead to an increase in intra-EU mobility, as more status holders would imply a higher share potentially being interested in moving to a second Member States. It will result in greater legal certainty for TCNs applying to the EU LTR status, granting them the rights associated with this status earlier and enhancing also their integration. It will entail some costs for national authorities from a potential increase in applications for the EU LTR permit, but some simplification resulting from a lower number of applications submitted for the renewal of temporary permits. However, the measure is likely to encounter significant resistance from Member States which might be reticent to reduce the standard residence requirement of 5 years for the attainment of long-term residence.	

Policy Measure 4.3: Introduce an automatic right to move and reside in a second Member State for EU long-term residents, with conditions similar to the ones applicable to EU citizens exercising free movement rights

Assessment criterion	*Assessment*
Policy objectives	
Objective 1: More coherent, efficient and fair system to acquire the EU LTR status	No direct effect identified on this objective.
Objective 2 Facilitate the intra-EU mobility	The vast majority of stakeholders[376] argue that there are disproportionate pre-conditions for EU LTR holders to make use of the intra-EU mobility provisions. Therefore, granting an automatic right to move and reside in another Member States would put TCNs at the same level as EU citizens in terms of freedom of movement, hence it would lead to the full achievement of this objective. Additionally, studies found that migrants are more likely to move in response to labour market opportunities than native born citizens, therefore granting them equal mobility rights will significantly facilitate intra-EU mobility.[377] Nonetheless, the measure granting automatic intra-EU mobility would not be coherent with the other legal migration Directives, as Member States would need to allow residence on the basis of residence permits issued by other Member States.
Objective 3 Improve the rights of long term-residents and their family	This measure would make a significant contribution to equal treatment as it would provide the same mobility rights to long-term resident TCNs as EU citizens. This would allow EU LTR holders and their family members to freely move across the EU and grant them additional access to further employment and educational opportunities without fulfilling additional bureaucratic and costly procedures. However, the measure may have a negative effect on circular migration between the EU and third countries, as TCNs rather than returning to their country of origin may be drawn to staying in EU. Indeed, studies have shown that big drivers of circular and return migration are

[376] Third meeting of the Commission Expert Group on the Views of Migrants, 2 March 2021; Consultation of the European Network of the Public Employment Services, 10 March 2021.; Fifth meeting of the Informal Expert Group on Economic Migration, 14 April 2021; Consultation with representatives of Civil Society, 20 April 2021; , Consultation with the Economic and Social Partners, 5 May 2021

[377] Poeschel, F. (2016), "Raising the mobility of third country nationals in the EU. Effects from naturalisation and long-term resident", OECD Social, Employment and Migration Working Papers, No. 187, OECD Publishing, Paris. P 6

Assessment criterion	*Assessment*
	unemployment in the destination country and employment opportunities in the country of origin.[378] Therefore, if EU LTR holders have facilitated access to more rapidly capitalise on employment opportunities in different EU Member States, rather than just in the first Member States where they have EU LTR status, it reduces the probability they will return to their country of origin for other opportunities. Nevertheless, other factors such as familial ties and socio-political conditions in the country of origin play an important role in facilitating circular migration, which remain unaffected by this measure.
Impacts	
Social impacts	**Third-country nationals** The measure would strongly facilitate access of TCNs to the labour market in a second Member States, as they could move without any restrictions, which would increase their chances to find jobs suitable for their skills and qualifications, thus also contributing to their integration. The measure could also lead to some cost-savings, as although they may still have to apply for some authorisation to reside in the second Member States, the conditions and restrictions of their access are likely to no longer apply. As emphasised by the of the Commission Expert Group (EG) on the Views of Migrants, removing the barriers to intra-EU mobility is likely to increase interest of TCNs in such mobility. Furthermore, members of the European Public Employment Services network also considered that the intra- EU mobility for employment purpose should be further boosted and managed in a more automatic manner. **National authorities** National authorities are likely to oppose this measure, as it would lead to a significant loss of control as to who enters their territory. Participants of the Legal practitioners network indeed wondered whether, in view of the current wave of anti-immigrant sentiment in Europe, national governments might be lacking incentives to further facilitate intra-EU mobility, as doing so would seem to them to be further limiting their discretion to control immigration. On the other hand, the measure would lead to significant simplification of procedures, as long-term resident TCNs would now have to follow a similar (simplified) procedure that applies to EU citizens when moving to a second Member States and have an automatic right of residence.

[378] https://www.oecd-ilibrary.org/sites/9d3d05d2-en/index.html?itemId=/content/component/9d3d05d2-en

Assessment criterion	*Assessment*
	Legal practitioners/judiciary As the measure would remove often complex procedures and provide an automatic right of residence in the second Member States, it would lead to a reduced need for legal support and judicial / administrative review. **Employers/Businesses** This measure would considerably simplify the process for hiring TCN, allowing employers direct, unrestricted access across the EU to a larger pool of medium and highly skilled legally residing TCNs. This will limit the possibility of substantial delays in filling necessary vacancies and help to fill labour shortages. **Third countries** The measure could have a negative effect on third countries, as the freedom of movement in the EU may act as a pull factor and may deter those who already have the status from returning to their countries of origin. This would thus indirectly contribute to brain drain. On the other hand, because of the anticipated higher level of integration of TCNs, including their better employment prospects, remittances to third countries are likely to increase.
Economic impacts	This measure is expected to have some positive economic impacts, however, the potential economic impacts cannot be estimated at the level of a specific individual measure, but have been calculated at the aggregate level of the policy options instead. This measure is likely to result in an increase in TCNs moving to a second Member States, this will result in additional contributions to the tax regime of the second Member States as well as money spent by the TCNs and their family in this Member States. It will also bring increased economic benefits to mobile TCNs, as it will reduce the costs linked to the validation of professional qualifications and allow them access to employment at the right level. As mentioned above, the measure is also likely to have a limited negative effect on third countries linked to brain drain but a more considerable positive economic effect linked to an increase in the remittances sent by the affected mobile TCNs to their families/ other dependants based in their country of origin.
Environmental impacts	No environmental impacts identified.

Assessment criterion	***Assessment***
Fundamental rights	This measure will make a considerable contribution to the right to family and professional life (Article 33 of the EU Charter of Fundamental Rights).
Costs	
Administrative and compliance costs	This measure foresees the highest administrative and compliance costs within this policy option package, mostly impacting national authorities. With regards to the additional costs for national authorities, this measure will result in initial administrative costs for Member States, as they will need to modify their procedures and update the information provided to potential applicants. In addition, the introduction of this measure will see significant changes to administrative procedures in cooperation with other migration management units (e.g. border management). Overall, the costs resulting from this measure alone for Member States national authorities per average yearly cost are estimated at around 211,197 euro. The costs for the Commission are estimated at 8,182 euro.
Simplification	This measure will lead to a reduction in compliance costs as Member States would no longer need to have a separate (albeit facilitated) application procedure for TCNs, possibly applying the same procedures as those in place for EU citizens. However, while it may be possible to estimate the cost saving resulting from the second Member States no longer having a procedure in place for intra-EU mobile TCNs, it is not possible to calculate the costs of the possible procedures that would be put in place in lieu of the latter.
Overall assessment	
The policy measure would bring some very significant benefits to TCNs, as they would be able to move freely in the EU, which in turn is expected to bring positive social and economic impacts. Nonetheless, this measure would likely face major resistance from national authorities, as well as challenges of coherence with other EU legislation and policies, which would seriously hamper its practical and political feasibility.	

ANNEX 6: CASE LAW OF THE CJEU ON DIRECTIVE 2003/109/EC

Case	Date	MS	Legal issue	Ruling
C-502/10 *Singh*	18/10/12	NL	Article 3(2)(e) - residence based on a formally limited permit	Article 3(2)(e) of the LTRD must be interpreted as meaning that the concept of 'residence permit [which] has been formally limited' does not include a fixed-period residence permit, granted to a specific group of persons, the validity of which may be extended indefinitely without however offering any prospect of a residence permit of indefinite duration where such a formal limitation does not prevent the long-term residence of the TCN in the MS concerned, that being a matter for the referring court to ascertain.
C-571/10 *Kamberaj*	24/04/12	IT	Article 11(1)(d) - equal treatment regarding housing benefits Article 11(4) - requirement to state clearly in advance that use is made of derogation	Article 11(1)(d) of the LTRD must be interpreted as precluding a national or regional law, such as that at issue in the main proceedings, which provides, with regard to the grant of housing benefit, for different treatment for TCNs enjoying the status of long-term resident conferred pursuant to the provisions of that directive compared to that accorded to nationals residing in the same province or region when the funds for the benefit are allocated, in so far as such a benefit falls within one of the three categories referred to in that provision and Article 11(4) of that directive does not apply.
C-508/10 *Commission v Netherlands*	26/04/12	NL	Application for a residence permit in a second MS made by a LTR - Disproportionate fees	By applying (i) to TCNs seeking LTR status in the Netherlands, (ii) to those who, having acquired that status in a MS other than the Netherlands, are seeking to exercise the right to reside in that MS, and (iii) to members of their families seeking authorisation to accompany or join them, excessive and disproportionate administrative charges which are liable to create an obstacle to the exercise of the rights conferred by the LTRD, the Kingdom of the

				Netherlands has failed to fulfil its obligations under that directive
C-469/13 *Tahir*	17/07/14	IT	Articles 2, 4(1), 7(1) and 13 – terms for conferring LTR status (5 years)– family members – more favourable provisions	1. Articles 4(1) and 7(1) of the LTRD, must be interpreted as meaning that family members, as defined in Article 2(e) of that directive, of a person who has already acquired long-term resident status may not be exempted from the condition laid down in Article 4(1), under which, in order to obtain that status, a third-country national must have resided legally and continuously in the MS concerned for five years immediately prior to the submission of the relevant application. 2. Article 13 of the LTRD must be interpreted as not allowing a MS to issue family members, as defined in Article 2(e) of that directive, with long-term residents' EU residence permits on terms more favourable than those laid down by that directive.
C-579/13 *P and S*	04/06/15	NL	Article 5(2) and Article 11(1) - integration measures - civic integration obligation attested by examination under pain of a fine	Article 5(2) and Article 11(1) of the LTRD, do not preclude national legislation, such as that at issue in the main proceedings, which imposes on TCNs who already possess long-term resident status the obligation to pass a civic integration examination, under pain of a fine, provided that the means of implementing that obligation are not liable to jeopardise the achievement of the objectives pursued by that directive, which it is for the referring court to determine. Whether the long-term resident status was acquired before or after the obligation to pass a civic integration examination was imposed is irrelevant in that respect.

C-309/14 *CGIL and INCA*	03/09/15	IT	Disproportionate fees for issuing or renewing LTR	The LTRD precludes national legislation, such as that at issue in the main proceedings, which requires third-country nationals, when applying for the issue or renewal of a residence permit in the Member State concerned, to pay a fee which varies in amount between EUR 80 and EUR 200, inasmuch as such a fee is disproportionate in the light of the objective pursued by that directive and is liable to create an obstacle to the exercise of the rights conferred by that directive.
C-636/16 *López Pastuzano*	07/12/17	ES	Article 12 – expulsion - scope of application – matters to be considered	Article 12 of the LTRD must be interpreted as precluding legislation of a MS which, as interpreted by some of the courts of that Member State, does not provide for the application of the requirements of protection against the expulsion of a third-country national who is a long-term resident to all administrative expulsion decisions, regardless of the legal nature of that measure or of the detailed rules governing it.
C-557/17 *Y.Z. and others*	14/03/19	NL	Article 9(1)(a) - withdrawal of permits in the case where the acquisition is based on fraudulent information but the holder was unaware of the fraudulent nature of that information Article 16(2)(a) FRD	Article 9(1)(a) of the LTRD must be interpreted as meaning that, where long-term resident status has been granted to third-country nationals on the basis of falsified documents, the fact that those nationals did not know of the fraudulent nature of those documents does not preclude the MS concerned, in application of that provision, from withdrawing that status.

C-677/17 *M. Çoban v Uwv*	19/05/19	NL	EEC-Turkey Association Agreement - Decision No 3/80 – withdrawal supplementary benefits following LTR return to CO	The first subparagraph of Article 6(1) of Decision No 3/80 , in conjunction with Article 59 of the Additional Protocol, must be interpreted as not precluding a national provision which withdraws a supplementary benefit from a Turkish national who returns to his country of origin and who holds, at the date of his departure from the host Member State, long-term resident status, within the meaning of the LTRD.
C-302/18 *X*	03/10/19	BE	Article 5(1)(a) – concept of resources	Article 5(1)(a) of the LTRD must be interpreted as meaning that the concept of 'resources' referred to in that provision does not concern solely the 'own resources' of the applicant for long-term resident status, but may also cover the resources made available to that applicant by a third party provided that, in the light of the individual circumstances of the applicant concerned, they are considered to be stable, regular and sufficient.
C-448/19 *WT v Subdelegación del Gobierno en Guadalajara*	11/06/19	IT	Article 12 - expulsion of LTR – relevant elements assessment - link between Article 12 LTR and definitions in Directive 2001/40	Article 12 of the LTRD must be interpreted as precluding legislation of a MS which, as interpreted by national case-law with reference to Council Directive 2001/40/EC concerning the mutual recognition of decisions on the expulsion of TCNs, provides for the expulsion of any third-country national who holds a long-term residence permit who has committed a criminal offence punishable by a custodial sentence of at least one year, without it being necessary to examine whether the third country national represents a genuine and sufficiently serious threat to public order or public security or to take into account the duration of residence in the territory of that MS, the age of the person concerned, the consequences of expulsion for the person concerned and family members and the links with the country of residence or the absence of links with the country of origin.

C-503/19 and 592/19 *UQ and SI v Subdelegación del Gobierno en Barcelona*	03/03/20	ES	Article 6(1) LTR - refusal of LTR status for public order reasons – previous convictions – assessment relevant elements	Article 6(1) of the LTRD, must be interpreted as precluding the legislation of a MS as it is interpreted by some of the courts of that State, which provides that a third- country national may be refused long-term resident status for the sole reason that he or she has previous criminal convictions, without a specific assessment of his or her situation, in particular, the nature of the offence committed by that national, the threat he or she may pose to public policy or public security, the length of his or her residence on the territory of that MS and the links he or she has with that State.
C-303/19 *VR v Istituto nazionale della previdenza sociale*	25/11/20	IT	Article 11 - equal treatment – social security - family benefits - family members living in third countries not counted On SPD see also: C-302/19 *WS and VR v Istituto nazionale della previdenza sociale*	Article 11(1)(d) of the LTRD must be interpreted as precluding legislation of a Member State under which, for the purposes of determining entitlement to a social security benefit, the family members of a long-term resident, within the meaning of Article 2(b) thereof, who do not reside in the territory of that MS, but in a third country are not taken into account, whereas the family members of a national of that Member State who reside in a third country are taken into account, where that Member State has not expressed its intention of relying on the derogation to equal treatment permitted by Article 11(2) of that directive by transposing it into national law.
C-94/20 *Land Oberösterreich*	10/06/21	AT	Article 11(d) – equal treatment social security, social assistance and social protection – Derogation –	Article 11(1)(d) of the LTRD must be interpreted as precluding, even where use has been made of the option to apply the derogation provided for in Article 11(4), legislation of a MS under which the grant of housing assistance to TCNs who are long-term residents is

v KV			language requirements - concept core benefits – applicability Art. 21 CFR	subject to the condition that they provide proof, in a form specified by that legislation, that they have a basic command of the language of that MS, if that housing assistance constitutes a 'core benefit' within the meaning of that latter provision, this being a matter for the referring court to assess. Where use has been made of the option to apply the derogation provided for in Article 11(4), Article 21 of CFR is not intended to apply to legislation of a MS under which the grant of housing assistance to third-country nationals who are long-term residents is subject to the condition that they provide proof, in a form specified by that legislation, that they have a basic command of the language of that Member State, if that housing assistance does not constitute a 'core benefit' within the meaning of Article 11(4) of that directive. If the housing assistance in question does constitute such a core benefit, Article 21 of CFR, in so far as it prohibits any discrimination based on ethnic origin, does not preclude such legislation.
C-462/20 *ASGI and Others v Presidenza del Consiglio dei Ministri*	28/10/21	IT	Article 11(1)(d) and (f) LTRD – equal treatment – exclusion TCNs from discounts on supplies of goods and services by public and private entities Article 12(1)(e) SPD + Art 14(1)(e) BCD + Art. 14(1)(g) QD	Article 12(1)(e) of the SPD, and Article 14(1)(e) of the BCD , must be interpreted as not precluding legislation of a Member State which excludes TCNs covered by those directives from eligibility for a card granted to families allowing access to discounts or price reductions when purchasing goods and services supplied by public or private entities which have entered into an agreement with the government of that MS. Article 11(1)(d) of the LTR, must be interpreted as not precluding such legislation either, in so far as such a card does not come, according to the national legislation of that Member State, within the concepts of 'social security', 'social assistance' or 'social protection'.

C- 432/20 *ZK*	Pending AG Opinion – 21/10/21	AT	Art. 9(1)(c) – concept of absence – interruption absence	N/A
C-624/20	Pending		Dependents' residence rights	N/A