

# **EMN FOCUSSED STUDY 2019**

## **Migratory pathways for start-ups and innovative entrepreneurs in the EU and Norway**

### **Estonian national report**

**Tallinn 2019**

*Disclaimer: The following responses have been provided primarily for the purpose of completing a Synthesis Report for the EMN Focussed Study on Migratory pathways for start-ups and innovative entrepreneurs in the EU and Norway. The contributing EMN NCP have provided information that is, to the best of their knowledge, up-to-date, objective and reliable within the context and confines of this study. The information may thus not provide a complete description and may not represent the entirety of the official policy of an EMN NCPs' Member State.*

*This document was produced by Barbara Orloff the expert of EE EMN NCP. This report was compiled based on public and available information. Furthermore, experts of this topic were consulted.*

*Estonian national contact point  
Tallinn University  
Narva mnt 25  
10120 Tallinn  
[emn@tlu.ee](mailto:emn@tlu.ee)*



# Migratory pathways for start-ups and innovative entrepreneurs in the EU and Norway

## Common Template for EMN Study 2019

### National Contribution from Estonia

#### 1 BACKGROUND AND RATIONALE FOR THE STUDY

According to the European Commission (2016b), to remain a globally competitive player, the EU needs to find better ways to attract migrant innovative entrepreneurs and support migrant entrepreneurs already present in the EU. Attracting and retaining start-ups' founders and employees from third countries is part of the objective of upgrading the single market (European Commission, 2015). Although the primary rationale is routed in economic policy perspective, attracting start-ups is also in line with the broader objectives of the EU migration policy, such as tackling demographic change and satisfying labour market needs.

The notions of 'start-up' and 'innovative entrepreneurship' relate to an environment where individuals are motivated to innovate, create new products or services and take risks. Entrepreneurship can have a beneficial impact on the economy, through job creation, innovation and investment. The concept of 'innovative entrepreneurship' is not a strictly defined one and a level of complexity derives from the concept's linkage, on the one hand, with other concepts such as innovation, the knowledge economy, the digital society, and on the other hand with similar but nuanced notions - self-employment, new business formation and SMEs (European Commission, 2016a).

This Study specifically focuses on 'start-ups' and '**innovative** entrepreneurship'. This is distinguished from general self-employment which falls outside of scope of the Study. However, start-ups and innovative entrepreneurs can be admitted on different types of visas and/or residence permits - including special permits where such exist in Member States, general permits for self-employment, investors or highly skilled. Thus, **although the focus of the study is start-up and innovative entrepreneurs, the Study explores all migratory channels (e.g. residence permits and visas) through which start-up and innovative entrepreneurs can be admitted.**

Although definitions in the literature vary, an innovative entrepreneur is someone who creates a (radically) new product/service or provides a new solution through a viable business model to meet a marketplace need or problem. 'Innovation' can be defined in this context as new expertise that an entrepreneur brings to the market whether through introducing a new or improved product, a new method of production, a new market, a new source of supply or the reorganisation of management.

In recent years we have seen a proliferation of start-up schemes across EU Member States - as well as globally - offering various incentives for start-up entrepreneurs from third countries. Start-up admission schemes aim at developing entrepreneurial ecosystems, fuelling economic growth and innovation, and making the country more competitive in the globalised knowledge economy. However, other EU countries (especially those that have entrepreneurial hubs) that do not have special scheme in place are attracting entrepreneurs via other entry pathways. EU economies, such as Germany and Sweden, have been attracting innovative entrepreneurs without having a specific scheme in place. The United States example (where no special visa exists, however attraction is high) shows that the existence of a tailor-made legal framework for start-ups and innovative entrepreneurs is only one of several factors that are important in attracting start-ups and innovative entrepreneurs and that entrepreneurial culture and supportive environment may play a more decisive role. **The main focus of the Study is to identify the factors and prerequisite for attracting and retaining start-ups and innovative entrepreneurs from third countries as well as examining the different admission pathways available, including specific start-up schemes.**

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The Study also explores the **role of cities and regions and particular locations as entrepreneurial hubs** in attracting start-up founders and employees from third countries. Major European cities, such as Berlin, Stockholm and Madrid attract entrepreneurs from all over the world due to their fast-growing start-up scene and a successful infrastructure for financing and funding<sup>1</sup>. Certain regions and locations are hubs for particular industries and sectors. For example, in the Netherlands, there are a number of established innovation and technology hubs and clusters, including, inter alia, Rotterdam, Delft and Hague for clean-tech, aerospace and cybersecurity; Amsterdam for the creative and graphic industry; Twente and Leiden for bio science, med-tech, nanotechnology and pharma (European Commission, 2016a).

With regard to those Member States which have introduced specific start-up schemes, having an innovative idea is a common condition of admission (EMN, 2018)<sup>2</sup>. Despite some similarities, these schemes vary significantly across Europe. For instance, whilst 'innovativeness' is a key criterion everywhere, Member States define 'innovation' in very different ways (EMN, 2018). This has been further complicated by the fact that alongside specific start-up schemes, a number of Member States are considering introducing other innovative pathways for self-employed migrants and entrepreneurs, who may contribute to innovation and economic growth (e.g. visas meant for freelancers, digital nomads<sup>3</sup> and so on). This is why this Study does not focus solely on 'start-up visas and residence permits' as such, but all migratory pathways available to start-ups and innovative entrepreneurs.

Due to varying terminology across the examined countries, the terms 'visas' and 'residence permits' mean allowing entry and stay for a certain period of time for setting up a business/start-up. The term 'scheme' can be used in a broader context with regard to the admission under a particular visa/residence permit and any additional benefits it may provide.

While the EMN Inform on attracting and retaining start-up founders (2018) offered some basic insights into the topic, the measures and activities in place are changing rapidly and there is currently no comprehensive EU-wide overview of migratory pathways for start-ups and innovative entrepreneurs. Hence, it would be useful to explore it in-depth and offer a platform for Member States to share their experiences and learn from each other. The ability for third-country nationals to invest across the single market and for start-up to scale up across the EU is an obvious advantage that national policies cannot offer on their own. This would also make Europe a more attractive destination for innovators from outside the EU.

## 2 STUDY AIMS AND OBJECTIVES

The overall aim of this Study is to provide an overview of migratory pathways that are available for start-ups and other innovative entrepreneurs in the EU to stimulate economic growth, innovation and raise global economic competitiveness.

More specifically, the Study aims to:

- Describe the process and requirements for obtaining a start-up visa/residence permit or other type of residence permit/visa for innovative entrepreneurs;
- Examine the incentives in place in EU Member States and Norway to attract and retain third-country national start-up founders/ employees or other innovative entrepreneurs;
- Provide a statistical overview of the number of third-country national start-up founders/employees present in EU Member States and Norway from 2014-2018, their origin and recognition rates;
- Outline the challenges and good practices of EU Member States and Norway with regard to the attraction and retention of third-country national start-up founders/ employees or other innovative entrepreneurs.

## 3 SCOPE OF THE STUDY

The overall focus of this Study are third-country nationals who are either start-up founders, start-up employees or are engaged in other form of innovative entrepreneurship (see definitions below and Section 1). Admission for general self-employment purposes and setting up small business which is not considered

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<sup>1</sup> For example: <https://www.berlin-partner.de/en/the-berlin-location/the-place-to-be-for-startups/>

<sup>2</sup> EMN (2018) Inform: Attracting and retaining foreign start-up founders. Accessible: [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/inform\\_startups\\_2018\\_final\\_revised.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/inform_startups_2018_final_revised.pdf)

<sup>3</sup> Digital nomads are a type of people who use telecommunications technologies to earn a living and, more generally, conduct their life in a nomadic manner. Such workers often work remotely from foreign countries, coffee shops, public libraries, co-working spaces, or recreational vehicles

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innovative falls outside of scope of the Study. Although the focus of the study is start-up and innovative entrepreneurs, the Study is not limited to start-up schemes and includes all schemes which can be used to admit start-up founders and employees and innovative entrepreneurs from third countries. The Study covers the period from 2014-2018.

### 4 EU LEGAL AND POLICY CONTEXT

In recent years, migrant entrepreneurs are increasingly less attracted to EU Member States than they are to other OECD countries (OECD, 2016). Currently, no EU instrument that formalises self-employed workers' conditions of admission and rights is in place. This does not mean however that this group is totally excluded from the scope of the current EU legal framework on legal migration as the transversal Directives cover self-employed on certain aspects. While the EU has a dedicated framework for highly qualified workers, start-up founders and innovative entrepreneurs are not included in its scope.

Against this backdrop, the topic of migration schemes for start-up founders and employees from third countries has become a priority for many Member States. In addition, the Competitiveness Council has invited, in its Conclusions adopted on 27 May 2016 (9510/16), both the Commission and the interested Member States to explore whether a European start-up visa scheme would be of added value at EU level, could boost cross-border expansion of start-ups and EU's attractiveness for innovators, while respecting national competences and including the necessary safeguards. At national level, almost half of the Member States have adopted a specific scheme to attract and retain start-up founders (EMN, 2018). In order for the EU to be competitive internationally and to avoid competition between the Member States, synergies need to be created between the different national schemes.

One of the European Commission's goals is to encourage an environment conducive to entrepreneurship. This principle was already at the core of the Lisbon Strategy as early as 2000. Making it less bureaucratic to start-up a new business is a basic element in this context. Moreover, the European Charter for Small Enterprises, in one of its ten lines of action, called for cheaper and faster business start-ups.<sup>4</sup>

### 5 PRIMARY QUESTIONS TO BE ADDRESSED BY THE STUDY

The Study will aim to address the following research questions:

- What is the business environment for starting up a business in EU Members State and Norway? What are the administrative procedures/requirements to start up a business?
- To what extent is the attraction and retention of entrepreneurs and start-up founders a policy priority for Member States? What are the sectors and industries in EU Member States and Norway which are aiming to attract entrepreneurs?
- What are the main factors and prerequisites in attracting start-up founders /employees and innovative entrepreneurs from third countries?
- What migratory legal frameworks are in place in EU Member States and Norway for admission of start-ups and innovative entrepreneurs?
- What are the requirements for obtaining a start-up visa/residence permit or other type of residence permit/visa for innovative entrepreneurs?
- How many applications have been submitted on these grounds? What is the acceptance rate? From which countries do they mostly originate?
- What measures have EU Member States and Norway implemented in order to attract and retain start-up founders/employees and other innovative entrepreneurs?
- What have been the main challenges in implementing these measures?
- Which good practices are in place in EU Member States and Norway related to the attraction and retention of start-up founders/employees or other innovative entrepreneurs? Have Member States and Norway measured the success of such schemes?

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<sup>4</sup> Available at:

<https://ec.europa.eu/docsroom/documents/12229/attachments/1/translations/en/renditions/native>

## 6 DEFINITIONS

The following key terms are used in the Common Template:

**'Accelerator programmes'** see 'Incubator' below.

**'Entrepreneur/business-founder'**: An individual who founds and runs a business, assuming all risks and rewards of the venture. Commonly seen as an innovator, a source of new ideas, goods, services and business/or procedures (Source: Investopedia<sup>5</sup>)

**'Entrepreneurship'**: Capacity and willingness to develop, organise and manage a business venture along with any of its risks in order to make a profit (Source: BusinessDictionary<sup>6</sup>)

**'Entrepreneurial culture'**: Refers to the social environment in which entrepreneurship is seen positively, individuals are encouraged to start and grow a business and entrepreneurial success is celebrated. Risk-taking and innovation are prized and not excessively penalised (EY G20 Entrepreneurship Barometer 2013<sup>7</sup>).

**'Ecosystem'** (also known as a hub): environment or "ecosystem" made of private and public players, which nurture and sustain start-ups and entrepreneurs, making the action of entrepreneurs easier. For example, the existence of prior ventures, the availability of start-up financing mechanisms, a patent system and a culture tolerating failure all facilitate the creation of new firms (Source: Lexicon, The Financial Times<sup>8</sup>)

**'Employee'** means a worker holding an explicit or implicit employment contract, which gives them a basic remuneration that is not directly dependent upon the revenue of the unit for which they work;

**'Employer'** means any natural person or any legal entity, for or under the direction or supervision of whom or which the employment is undertaken;

**'Family members'** is a third-country national, as specified in Art. 4(1) of Directive 2003/86/EC (normally members of the nuclear family – i.e. the spouse and the minor children), who has entered the territory of the European Union for the purpose of family reunification (EMN Glossary Version 6.0)

**'Highly qualified migrant'** is defined in the EU context as a third-country national who seeks employment in an EU Member State and has the required adequate and specific competence, as proven by higher professional qualifications (EMN Glossary Version 6.0)

**'Hub'**: see 'Entrepreneurial ecosystem' above

**'Incubator'** is an organisation designed to accelerate the growth and success of entrepreneurial companies through an array of business support resources and services that could include physical space, capital, coaching, common services, and networking connections. **Business incubation programs** are often sponsored by private companies or municipal entities and public institutions, such as colleges and universities. Their goal is to help create and grow young businesses by providing them with necessary support and financial and technical services. (Source: <https://www.entrepreneur.com/encyclopedia>)

**'Innovative entrepreneur'** is an individual who founds and runs a business bringing to the market whether through introducing a new or improved product, a new method of production, a new market, a new source of supply or the reorganisation of management. (European Commission, 2016a)

**'Labour shortage'** is defined as a shortage of labour of a particular type in a particular labour market which may be said to exist when the number of vacancies has been (or is expected to be) above a level considered to represent 'normal' turnover at the prevailing wages and working conditions for an extended period. (EMN Glossary Version 6.0)

**'Long-stay visa'** means an authorisation issued by a Member State as provided for in Article 18 of the Schengen Convention or issued in accordance with the national law of Member States not applying the Schengen acquis in full; (EMN Glossary Version 6.0)

**'Pull factor'** is the condition(s) or circumstance(s) that attract a migrant to another country (EMN Glossary Version 6.0)

<sup>5</sup> <https://www.investopedia.com/terms/e/entrepreneur.asp>; see also

<https://ec.europa.eu/epale/en/blog/innovative-entrepreneurs-why-are-they-different-others>

<sup>6</sup> <http://www.businessdictionary.com/definition/entrepreneurship.html>

<sup>7</sup> <https://www.g20yea.com/images/reports/EY-G20-Entrepreneurship-Barometer-2013-Report.pdf>

<sup>8</sup> <http://lexicon.ft.com/Term?term=entrepreneurial%20ecosystem>

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**'Residence permit'** is defined as "an authorisation issued using the format laid down in Regulation (EC) No 1030/2002 entitling its holder to stay legally on the territory of a Member State"; (EMN Glossary Version 6.0)

**'Start-up'**: A start-up is an independent for-profit organisation, which is younger than five years and is aimed at creating, improving and expanding a scalable, innovative, technology-enabled product with high and rapid growth. (European Startup Network – available [here](#))

**'Short-stay visa'** is defined as the authorisation or decision of an EU Member State with a view to transit through or an intended stay on the territory of one or more or all the EU Member States of a duration of no more than 90 days in any 180-day period; (EMN Glossary Version 6.0)

In terms of short stay visas, the UK operates differently to the Schengen Area. In the UK - which is outside the Schengen Area - a Standard Visitor visa usually permits people to stay in the UK for up to six months, rather than 90 days, over a 180 day period, which is relevant duration for short-stay/visa free travel in the Schengen Area.

**'Survival rate'** is defined as the rate of start-ups which are still operating after a certain period of time. (Hyytinen A. et al (2015), 'Does innovativeness reduce start up survival rates?', Journal of Business Venturing – available [here](#))

**'Third-country national'** is defined as "any person who is not a citizen of the European Union within the meaning of Art. 20(1) of TFEU and who is not a person enjoying the Union right to free movement, as defined in Art. 2(5) of the Schengen Borders Code". (EMN Glossary Version 6.0)

## National Contribution from Estonia

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### Top-line factsheet [max. 1 page]

*The top-line factsheet will serve as an overview of the **National Contribution** introducing the Study and drawing out key facts and figures from across all sections, with a particular emphasis on elements that will be of relevance to (national) policy-makers. Please add any innovative or visual presentations that can carry through into the synthesis report as possible infographics and visual elements.*

*Please provide a concise summary of the main findings of Sections 1-5:*

Current study focuses on migratory pathways that are available for third-country start-ups in Estonia, the relevant requirements and prerequisites to benefit from these schemes, attraction and retention measures for start-ups from third countries and the challenges and good practices in this field. The study focuses mostly on the time period starting from 2017 when the new start-up scheme came into force in Estonia. Unfortunately there is lack of statistics before 2017.

Estonia is a small, but innovative country aiming for being the world's most developed digital society. There are already wide range of e-services offered, which make doing business in Estonia convenient and fast. One of the services is the e-Residency, a government-issued digital identity and status that provides entrepreneurs with access to Estonia's digital business environment.

Fostering start-up entrepreneurs can be considered an important strategic growth area in Estonia. One aim of the state is to support the establishment and growth of new innovative companies. In order to develop Estonian start-up ecosystem and to promote Estonian start-ups, the programme of Startup Estonia was established by the Ministry of Economic Affairs and Communications. The responsibility for creating and supporting entrepreneurial ecosystems and start-up hubs has been taken on the national level and the role of the cities has been relatively modest.

In order to attract start-ups from third countries and to address the need to modernize the business environment, the start-up sector in cooperation with the state came up with the new start-up visa/residence permit scheme (Startup Visa). The scheme that came into force in January 2017, foresees the possibility to issue a visa or a residence permit to start-up founder as well as to the start-up employee under more flexible conditions as due to the peculiarities of the start-ups, it is somewhat difficult to comply with the general requirements stipulated in the Aliens Act.

The new scheme foresees two level application system. At first the third-country national (TCN) has to submit an online application to the start-up expert Committee for assessment whether the start-up qualifies as one. The Committee comprises of representative organisations of the start-ups who work on a voluntary basis. After the approval from the Committee, it is possible to apply for a start-up visa or a residence permit or if the start-up has already been evaluated, there is no need for an extra assessment from the Committee. A visa for engagement in start-up enterprise may be issued for up to 548 days within 730 consecutive days and the sufficient rate of funds is reduced. The visa for founders for establishing a start-up in Estonia can be issued without prior registration of the start-up in Estonia. Additionally the start-up founder can apply for a temporary residence permit for enterprise without being subject to the immigration quota or being obliged to comply with the general investment requirement.

The legislation also foresees more favourable conditions for start-up employees. If a start-up which is established in Estonia, wishes to employ a TCN for short term, it is possible to apply for a short-term or long-term visa with the duration up to 548 days within 730 consecutive days and register the short-term employment under more flexible conditions. As an exception from the general rule, the general salary criteria for short-term employment does not apply and short-term employment is allowed for the whole duration of the legal stay. If a start-up which is established in Estonia, wishes to employ a TCN for a longer period of time, it is possible to apply for a residence permit for employment under more favourable



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conditions, e.g. the residence permit is not subject to the immigration quota nor to the labour market test and the salary criteria.

In addition to more favourable regulations on start-up visa and residence permit, the TCNs have the right to be accompanied by their family members, who also have access to the labour market and as an advantage there are no restrictions for doing business while staying in Estonia legally under other migratory categories.

Estonian start-up ecosystem is eager to support ambitious individuals and start-ups in general. There are various incubator and accelerator programmes, possibilities for funding, mentoring, co-working spaces, trainings and events. Except for the facilitation of admission, these measures are not meant specifically for start-up founders and employees from third countries. The private and public sector have good cooperation in attracting start-ups. One of the main actors in attracting start-up founders and employees from third countries is Startup Estonia. As for promotional activities Startup Estonia is carrying out roadshows in various countries together with the e-residence programme. Work in Estonia on the other hand does targeting campaigns to recruit TCN workers to work in Estonian companies including start-ups.

Although the scheme has been in place for a relatively short period of time and therefore it is a bit early to give thorough assessments, it can be said that the start-up scheme has had a positive start. With exactly two years since the launch of the scheme, 1108 applications from companies have been submitted for the start-up status, of which 385 received a positive decision, and 931 people altogether have relocated already to Estonia or have been granted the right to do so. In 2018 the main countries for founders who have received a visa or a residence permit under the start-up scheme have been Russia, Turkey, India and Ukraine. As for the sectors, temporary residence permits for working in the start-ups have mostly been issued in 2018 in the info and communication sector followed by financial and insurance activities.

As for the main challenges there were some that came across many times from the start-up founder's perspective, e.g. there is a lack of qualified labour, the labour taxes are high and it is difficult to open a bank account in Estonia. As for good practices the start-up scheme is efficient and as it is a two level process, no misuses have been detected so far. There were other good practices identified – e.g. the possibility to apply for the start-up assessment online and to take profit from the e-residency programme that facilitates doing business in Estonia as there is no need to personally be present in the country to establish a business. Additionally the alternative money transferring services (e.g. Transferwise) have helped in solving the difficulties with opening bank accounts.

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### Section 1: Contextual overview of the business environment to start up a business in the (Member) State

This introductory section aims at providing a contextual overview of the business environment in your (Member) State in **general (including for nationals of your (Member) State)** whilst the remaining sections focus specifically on attracting migrant start-ups and 'innovative entrepreneurs' from third countries. Please provide qualitative evidence to support your answers, where appropriate.

**Q1a.** Are there **specific policies or strategies** which aim at fostering start-ups and innovative entrepreneurship in your (Member) State in general? ***\*Please note that this question refers to your MS' general start-up/entrepreneurship policy and is not specific to TCNs.***

Yes. Please describe briefly:

In the Estonian Entrepreneurship Growth Strategy 2014-2020<sup>9</sup> foreword the then Minister of Entrepreneurship Rene Tammist stated that one target for the year 2020 is to turn Estonia into the centre of start-ups in the Baltic states, Nordic countries and north-western Russia and to make Estonia the most attractive country for major corporations' development centres in Europe.

One of the important growth areas highlighted in the Strategy is fostering start-up entrepreneurship. It is important to make use of the existing competencies and move on to more remunerative sectors by fostering emerging companies. To that end, the aim is to promote structural changes in enterprise, supporting the establishment and growth of new innovative companies in priority growth areas. A new impetus is given to the "Start-up Estonia programme".

As part of the implementation plan, the aim is to support the development of start-up businesses into viable enterprises thus fostering the growth of survival rate of enterprises and also to support the reputation of Estonia as an innovative country.

Additionally, it is stated in the Estonian Cyber Security Strategy 2019-2022 that one aim of the state is to ensure optimal environment for emerging and growth of businesses that develop cyber technology, which encompasses support measures for start-ups.<sup>10</sup>

In order to further develop Estonian start-up ecosystem and to promote Estonian start-ups, the programme of Startup Estonia was established by the Ministry of Economic Affairs and Communications. The program is powered by KredEx<sup>11</sup> and financed from the European Regional Development Fund with 7 million euros. The aim of Startup Estonia is: 1) to strengthen the Estonian start-up ecosystem by uniting and building the community through different events and activities, creating and executing unified marketing and branding strategies; 2) Carrying out training programs for start-ups in areas they currently lack certain knowledge of that keeps them from achieving their (international) business goals; 3) Working on educating the local investors to help them invest more and smarter, help attract foreign investors to Estonia, and kickstart new accelerator funds in order to bring more smart money into the local ecosystem; 4) Working on eliminating regulative issues and barriers that are complicating the process of operating a start-up, investing or raising funding in Estonia, and implementing start-up friendly regulations such as the Startup Visa.

Estonia is unique in the world for having the programme of e-Residency, a government-issued digital identity and status that provides entrepreneurs with access to Estonia's digital business environment. An e-resident is a foreign national who holds the citizenship of another country, but for whom Estonia has created a digital identity and issued a digital identity document – the digital ID-card of an e-resident. This digital ID-card can be used in online environments for personal identification and digital signing. It enables foreign nationals to establish and manage a business with a base in Estonia and thus in the EU regardless of their physical location. However, digital ID-card is not equipped with a person's photo and cannot be used as an identification document. Also it does not automatically give a right to reside in Estonia.

No

<sup>9</sup> Estonian Entrepreneurship Growth Strategy 2014-2020: [https://kasvustrateegia.mkm.ee/index\\_eng.html](https://kasvustrateegia.mkm.ee/index_eng.html)

<sup>10</sup> Estonian Cyber Security Strategy 2019-2022: [https://www.mkm.ee/sites/default/files/kuberturvalisuse\\_strateegia\\_2019-2022.pdf](https://www.mkm.ee/sites/default/files/kuberturvalisuse_strateegia_2019-2022.pdf)

<sup>11</sup> KredEx is a foundation setup by the Estonian Ministry of Economic Affairs and Communications in 2001 with the aim of providing financial solutions based on the best practices in the world. For companies, they offer loans, venture capital, credit insurance and state-backed guarantees for faster development and safe expansion into foreign markets.

## Migratory pathways for start-ups and innovative entrepreneurs in the EU

**Q1b.** Is fostering start-ups and innovative entrepreneurs in general a **national policy priority**?

**Please note that this question refers to your (Member) State' general start-up/entrepreneurship policy and is not specific to TCNs.**

Yes. Please describe briefly:

Fostering start-ups and innovative entrepreneurs is one of the national priorities as set also in Estonian Entrepreneurship Growth Strategy 2014-2020.

Fostering start-ups and innovative entrepreneurs is also closely tied to the broader goal of becoming the world's most developed digital society and a significant part of the 'e-Estonia' brand. Prior milestones on that include:

<u>1997</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2005</u>	<u>2008</u>	<u>2014</u>	<u>2017</u>
<b>e-Governance</b> e-services are launched: 99 percent of public services are now available as e-services.	<b>e-Tax</b> Electronic tax filing system. Each year, around 95% of all tax declarations in Estonia are filed electronically	<b>x-Road</b> It allows the nation's public and private sector e-Service databases to link up and function in harmony.	<b>Digital ID</b> Rollout of a mandatory national ID card that provides digital success to all secure e-services.	<b>i-voting</b> Estonia becomes first nation in history to offer internet voting in a national election.	<b>e-health</b> A nationwide system integrating data from Estonia's healthcare providers to create a common record every patient can access online.	<b>e-residency</b> Transnational digital ID for access to public e-services: e-residents can establish/manage an EU business remotely.	<b>Start-up visa</b>

No

**Q2.** Does your (Member) State have **(a) a legal definition** (e.g. provided in legislation or soft law) **or (b) a working definition** (e.g. in policy documents, strategies or internal definitions used by relevant institutions) **of a 'start-up' and/or 'innovative entrepreneur'**?

Yes, there is a legal definition of a start-up/innovate entrepreneur. Please explain:

According to the Aliens Act<sup>12</sup> a start-up company is a business entity belonging to a company registered in Estonia, which is starting activity with the purpose to develop and launch such a business model with high global growth potential, innovative and replicable that shall significantly contribute to the development of the Estonian business environment.

Yes, there is a working definition of a start-up/innovative entrepreneur. Please explain:

No

**Q3a.** What are the **requirements** for starting up a business (i.e. start-up) in your (Member) State? Please describe briefly<sup>13</sup>:

In order to start up a business in Estonia, one needs to follow these steps: 1) choose an area of activity for the business. The area of activity is determined based on the Estonian Classification of Economic Activities; 2) choose a form of business; 3) find a business name for the company; 4) obtain a legal address. 4) register the company online at the Company Registration Portal or the notary; 5) pay the state fee and if necessary pay the share capital; 5) If the company has employees, the employees need to be registered in the employment register on the website of Tax and Customs Board; 6) If the area of activity is subject to special requirements, a license has to be acquired. 7) If needed, the company should be registered as a VAT payer on the website of Tax and Customs Board.<sup>14</sup> 8) If you do not have a business banking account at a credit or payment institution in the European Economic Area, an EU IBAN account is needed.

<sup>12</sup> Aliens Act Article 62<sup>4</sup> (2)

<sup>13</sup> Some information is available in the 'Starting a business portal' here:

[https://europa.eu/youreurope/business/running-business/start-ups/starting-business/index\\_en.htm](https://europa.eu/youreurope/business/running-business/start-ups/starting-business/index_en.htm)

<sup>14</sup> Invest in Estonia webpage: <https://investinestonia.com/business-in-estonia/establishing-company/process>

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**Q3b.** What is the **process** for setting up a new business in your (Member) State, from the initial application to the official registration?

When the suitable form of business has been settled and a business name and area of activity has been selected, it is possible to begin registering the company. The form of business depends most of all on the company's area of activity and related risks and needs, amount of capital and objectives. The most common form on business in Estonia is private limited company.

There are two ways of registering the business: 1) electronic registration via the e-Commercial Register's Company Registration Portal or 2) through a notary.

Electronic registration is the most convenient and quickest way of establishing a company in Estonia. The e-Business register allows to register a new company over the internet, change data in the business register, file annual reports, manage the members list for political parties or make detailed inquiries about other companies. In order to log in to the Company Registration Portal and perform the registration procedure, a person needs an ID-card or Mobile-ID, and the digital signature software. It is also possible to register a company with an Estonian e-Residency card, with an Estonian, Belgian, Finnish, Portuguese ID card or with a Lithuanian mobile ID.

The e-Residency programme allows non-Estonian citizens also to access the e-Business register and use the digital solutions when establishing a company in Estonia. The e-Business register makes the process of registering a company and submitting documents like annual reports easy and efficient for users online no matter where they are.<sup>15</sup>

It is possible to register a business electronically in the Company Registration Portal only in the case all persons related to the establishment (members of the management board, founding members, members of the supervisory board etc.) are able to sign the initial entry application and establishment documents digitally. The Company Registration Portal can be used to register private limited companies, general partnerships, limited partnerships and non-profit associations, and enter business as a self-employed person. Commercial associations or public limited companies cannot be established electronically. Upon the electronic registration of a private limited company, one must enter data concerning the founding members and the company to be established; enter the business name; design a template for articles of association; pay the state fee; and make a share capital contribution, if desired. The Company Registration Portal enables establishing a company without immediately making the share capital contribution as well.<sup>16</sup>

In case a TCN does not have the option of establishing the company electronically (e.g. her or she does not have e-Residency card) or do not wish to do so, it is possible to use the services of a notary. In any case the services of the notary have to be used if the contribution of the company's share capital is not monetary but rather a monetarily appraisable thing or proprietary right to be transferred to the private limited company (such as equipment, software etc) or if the founders of the company cannot digitally sign documents. In order to establish the company in notary a contribution of share capital has to be made and the state fee has to be paid. Additionally the following documents have to be filed: memorandum of association; articles of association; application; information on communications devices; bank certificate regarding deposit of share capital; certificate regarding payment of state fee.

**Q3c. How long** does it take to set up a business in your (Member) State? Please distinguish between (a) maximum timeframe for registration as declared by the relevant institution and (b) the time it takes in practice:

It is estimated that the minimum time needed to complete the process of registering a company online in Estonia and to receive a confirmation is about 3 hours. Actual registration times may vary. When registering with the help of a notary a delay up to 3 days is expected.<sup>17</sup> The unofficial record for registering a business in the e-Business Register has been 18 minutes.<sup>18</sup>

<sup>15</sup> E-Estonia webpage: <https://e-estonia.com/solutions/business-and-finance/e-business-register/>

<sup>16</sup> Gateway to government information and e-services: <https://www.eesti.ee/en/doing-business/establishing-a-company/registering-a-company/>

<sup>17</sup> Invest in Estonia webpage: <https://investinestonia.com/business-in-estonia/establishing-company/process>

<sup>18</sup> The Estonian Forensic Science Institute webpage: <https://www.ekei.ee/et/uudised/e-ariregistri-ettevotjaportaal-maailma-koige-kiirem>

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### Q3d. What is **the cost** to register a business?

The state fee for electronic registration of a company depends on the chosen form of business. To establish a private limited company (which is the most common form of business in Estonia), public limited company and commercial association the state fee is 145 euros for normal procedure and 190 euros for expedited procedure. The state fee to register as a self-employed person (FIE) is 13 euros a general partnership or limited partnership.<sup>19</sup> If the registration is done using a notary, notary fees will be added. Depending on the form of business, a share capital contribution has to be made (e.g. for private limited company the contribution is 2500 euros).

### Q3e. Have there been any **evaluations** or **public debates** on the business environment in your (Member) State? – i.e. have any administrative barriers been identified on how easy or difficult (burdensome) is to set up a business in your (Member) State? What are the main conclusions? Please explain, providing evidence, if available:

In general Estonia scores consistently high as business-friendly environment. Estonia is high up on the Ease of Doing Business Project rankings in 2019, scoring 16th out of 190 countries (15<sup>th</sup> place for starting a business and 14<sup>th</sup> place for paying taxes).<sup>20</sup>

Estonian business environment is supported by a simple and stable flat-rate tax system, which encourages long-term value creation. According to the International Tax Competitiveness Index 2018<sup>21</sup> Estonia ranks first out of the OECD countries. Its top score is driven by four positive features of its tax code. First, it has a 20 percent tax rate on corporate income that is only applied to distributed profits. Second, it has a flat 20 percent tax on individual income that does not apply to personal dividend income. Third, its property tax applies only to the value of land, rather than to the value of real property or capital. Finally, it has a territorial tax system that exempts 100 percent of foreign profits earned by domestic corporations from domestic taxation, with few restrictions. Estonia ranked 14th in the Enabling Trade Index 2016 rankings.<sup>22</sup>

Estonia is known for its e-solutions, which help to make setting up and running a business in Estonia quick and easy. For example it is possible to register a business online in e-Business Register in less than three hours and pay taxes through e-Tax system in 3-5 minutes. Around 95 per cent of all tax declarations in Estonia are filed electronically.<sup>23</sup> "Estonia's e-governance provides smooth, hassle-free location independent access to all public services. InterNations – the largest community of people living and working abroad – has chosen Estonia as the world's best in the category of digital life."<sup>24</sup>

The international venture capital company Index Venture found that Estonian economic environment is the best for start-up friendliness. The reasoning behind the ranking is that Estonia has policies which strongly support the use of stock options by start-ups: at all stages of growth and for all levels of employee.<sup>25</sup>

There has been some public debate over the business environment in Estonia. E.g. a partner in a law firm has pointed out the practical difficulties international businesses have come across when establishing business in Estonia and the bottlenecks of Estonian business environment.<sup>26</sup> The article was followed by a response from the then Minister of Entrepreneurship highlighting the strengths of Estonia's business environment.<sup>27</sup>

<sup>19</sup> State Fees Act: <https://www.riigiteataja.ee/akt/119032019042>

<sup>20</sup> The World Bank, Doing Business report, Estonia: <http://www.doingbusiness.org/en/data/exploreconomies/estonia#>

<sup>21</sup> International Tax Competitiveness Index 2018: [https://files.taxfoundation.org/20190213134207/ITCI\\_2018.pdf](https://files.taxfoundation.org/20190213134207/ITCI_2018.pdf)

<sup>22</sup> World Economic Forum, Global Enabling Trade Report, Estonia: <http://reports.weforum.org/global-enabling-trade-report-2016/economy-profiles/#economy=EST>

<sup>23</sup> E-Estonia webpage: <https://e-estonia.com/solutions/>

<sup>24</sup> Enterprise Estonia webpage: <https://www.eas.ee/expats-estonia-is-the-best-place-for-digital-life/?lang=en>

<sup>25</sup> Index Ventures, Rewarding Talent Handbook: <https://www.indexventures.com/rewardingtalent/handbook/country-detail-tables>

<sup>26</sup> Äripäev, Miks on ikkagi Soomes parem äri teha: <https://www.aripaev.ee/arvamused/2019/01/29/paul-kunnap-miks-on-ikkagi-soomes-parem-ari-teha>

<sup>27</sup> Äripäev, Eesti ettevõtluskeskkond on maailma tipus: <https://www.aripaev.ee/arvamused/2019/02/08/rene-tammist-estii-ettevotluskeskkond-on-maailma-tipus>

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**Q4a.** Do **hubs** and **ecosystems** (see definitions) exist in your (Member) States?

Yes. Please describe:

Estonia has a busy, supportive and open start-up ecosystem eager to support ambitious individuals and start-ups. In the end of 2018 103 organisations made up the local 'start-up ecosystem', providing a wide range of support services to start-ups. 65 out of these are only focused on offering their services to start-ups, such as co-working centres, accelerators, incubators, conferences and investment providers. 38 organisations are providing services which support entrepreneurship more broadly, such as research and development, business consultation and start-up-specific accounting and legal services. There are support organisations and services offered to start-ups in different phases.

Estonian start-up support organisations and service providers by main activity<sup>28</sup>:

- Consulting and mentoring – 24;
- Incubators and accelerators – 22
- Investments – 13
- Trainings and workshops – 12
- Co-working – 11
- Conferences and events – 11
- MarketLabs – 6
- Competitions - 4

There are hubs and co-working spaces mostly in Tallinn and Tartu, but also in other cities, e.g. in Pärnu, Paide and Kuressaare. The new priority for Startup Estonia is to focus on East Estonia region to involve the start-up community there and grow the start-up mind-set more in the Ida-Viru county,<sup>29</sup> a region affected the most by post-Soviet deindustrialisation in Estonia with a significant Russian minority population.

No, there are no major entrepreneurial hubs and ecosystems.

**Q4b.** What is the **role of cities or specific regions** in creating and supporting entrepreneurial ecosystems and start-up hubs in your (Member) State? Please describe by providing examples.

The responsibility for creating and supporting entrepreneurial ecosystems and start-up hubs has been taken on the national level. The role of the cities in Estonia in creating and supporting entrepreneurial ecosystems and start-up hubs is currently somewhat unstable.<sup>30</sup> There have been additional support initiatives provided by Tallinn, but not sustainably.

Science Park Tehnopol, which is a science and business campus for innovative tech companies, was co-founded in 2003 by the city of Tallinn, Estonian Republic and the Tallinn University of Technology.<sup>31</sup>

Tallinn has witnessed the emergence of several mini-technopoles, e.g. Mektory Technopol, Ülemiste City, Rotermann Quarter and Telliskivi Creative City, where most start-ups cluster. Whilst primarily owned by private developers, the private-public collaboration and partnership in these clusters is strong and mainly done with the goal of attracting start-ups in mind'.

**Q5.** What are the main **sectors** and **industries** in which your (Member) State aims to attract/attracts start-ups and innovative entrepreneurs? Please briefly explain, if possible to allow for comparison, with **reference to the main sections (i.e. section level classification)** of NACE Rev.2 classification of economic activities<sup>32</sup>.

There are no designated target industries as such, but government has been funding projects in the areas of cybertech, cleantech and education tech.<sup>33</sup> Also Startup Estonia, which is a governmental initiative, has currently named as their focus being in the area of CyberTech and Education Tech. Previously Startup Estonia had a 2-year pilot programme in cooperation with the Estonian Ministry of Environment for the

<sup>28</sup> Startup Estonia webpage <https://www.startupestonia.ee/startup-ecosystem>

<sup>29</sup> Startup Estonia webpage

<sup>30</sup> Interview with an expert from Ministry of Economic Affairs and Communications

<sup>31</sup> Science Park Tehnopol webpage: <https://www.tehnopol.ee/en/about/ajaluqu/>

<sup>32</sup> <https://ec.europa.eu/eurostat/documents/3859598/5902521/KS-RA-07-015-EN.PDF/dd5443f5-b886-40e4-920d-9df03590ff91?version=1.0>

<sup>33</sup> Interview with an expert from Ministry of Economic Affairs and Communications

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cleantech focus. Since 2017 the cleantech focus initiatives were taken over by CleanTech ForEst, an Estonian non-profit supporting and funding early stage green technology startups, advancing environmental education and energy experts.<sup>34</sup>

According to the Police and Border Guard Board (PBGB), temporary residence permits for working in the start-up were mostly issued in 2018 for working in the info and communications sector (152 permits), followed by financial and insurance activities (32 permits). Hence, currently the sectors mostly relate to the section J (Information and communications) of the NACE Rev 2 classification.

According to Startup Estonia the most popular industries in 2017 and 2018 have been fintech, business software/software as a service, medtech, consumer goods and hospitality with agritech, edtech and energy sector being the likely success stories in 2019.<sup>35</sup>

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<sup>34</sup> Startup Estonia webpage <https://www.startupestonia.ee/focus-areas>

<sup>35</sup> Startup Estonia webpage <https://startupestonia.ee/blog/two-year-anniversary-of-the-estonian-startup-visa>



## Section 2: National legal and policy framework in the (Member) State for admission of start-ups and innovative entrepreneurs from third countries

*This section aims to provide an overview of the national legal framework and policies in EU Member States and Norway in relation to start-ups and innovative entrepreneurs from **third countries**. Please provide qualitative evidence to support your answer, where appropriate.*

**Q6.** Is attracting start-ups and innovative entrepreneurs from third countries a **national policy priority**?

Yes, this is a national policy priority. Please explain:

Attracting start-ups from third countries at national level is a priority as start-ups create high-value jobs, bring foreign capital to Estonia and thus contribute to the state budget through tax receipts. As competition for workforce in the EU can be tight, TCNs can be considered attractive target groups.

A favourable environment for the start-ups is important for the growth of the whole business sector. To that cause legislative changes were adopted in 2017 which introduced a special start-up visa/residence permit. The importance of attracting TCN start-up founders and employees is exemplified also by the fact that the quota does not expand to these groups.

No, this is not a major national policy priority. Please explain:

**Q7a.** Does your national legislation provide for a special **visa or residence permit** to facilitate the immigration of start-up founders and innovative entrepreneurs from third countries?

Yes, a special visa is in place to facilitate the immigration of TCN start-up founders. Please explain:

According to the Aliens Act<sup>36</sup> a visa for engagement in start-up enterprise may be issued if the stay of a TCN in Estonia is related to the creation or development of a start-up company in Estonia. A TCN may be issued a short-stay or long-stay visa for engagement in start-up enterprise. The long-stay visa is issued with a duration of up to one year and it is possible to extend the visa for engagement in start-up enterprise, provided that the whole period of stay of the TCN with a long-stay visa is no longer than 548 days within 730 consecutive days.<sup>37</sup> When applying for the visa for start-ups, there is an exception from the general rule regarding the rate of funds which are sufficient to cover the expenses while being in Estonia. The rate for start-up founders is 0.03 times of the subsistence level for every day spent in Estonia (in 2019 the rate is 4.5 euros for a day).<sup>38</sup>

If the residence permit for start-up enterprise can only be issued to the founder if the start-up is already registered in Estonia, then a visa for establishing a start-up in Estonia can be issued without the prior registration of the start-up in Estonia.

Yes, a special residence permit is in place to facilitate the immigration of TCN start-up founders. Please explain:

If a TCN has established a start-up enterprise in Estonia, he or she may apply for a temporary residence permit for enterprise under more favourable conditions. That is according to the Aliens Act<sup>39</sup> the TCN who have been issued a residence permit for enterprise related to start-up business is not included in calculating the fulfilment of the immigration quota and the general obligation to invest does not apply.

No, other type of residence permit is commonly used to facilitate the immigration of start-ups/innovative entrepreneurs from third countries. Please explain:

No, a visa or residence permit is not in place, however, there is a specific programme or other initiatives intended to facilitate the immigration of start-ups and innovative entrepreneurs from third countries. Please explain:

<sup>36</sup> Aliens Act Article 62<sup>4</sup>

<sup>37</sup> Aliens Act Article 67

<sup>38</sup> Procedures for the issuing of long-stay visas, formalization of stay, extension of stay, deadlines, rate of sufficient financial means, rate of the health insurance contract and forms for applying for a long-stay visa and extension of stay, <https://www.riigiteataja.ee/akt/118012019005>

<sup>39</sup> Aliens Act Article 115 (1) 16, Article 192



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**Q7b.** If your (Member) State has a special visa/residence permit in place for start-up founders, please explain your (Member) State's **rationale** for adopting such schemes:

The rationale to put in place a special visa and residence permit for start-ups came from the practical need. There had been start-up founders with a short-term visa in Estonia with the aim to take part in the accelerator programmes, but they could only stay in Estonia legally for a short period of time, which made doing business in Estonia difficult for them. Normally the accelerator programme is three months and further activities for the start-up emerge while in the programme, hence it was difficult to explain initially the need for a longer than three months stay when applying for the short-term visa. The idea to have a specific scheme for start-ups was initiated by the start-up sector and the state carried it out in cooperation with the private sector.<sup>40</sup>

The aim to establish a more flexible regulation for TCN start-up founders and employees was agreed in March 2016 in a round table for start-ups held by the prime minister. The rationale for establishing such a scheme according to the explanatory memorandum of the draft legislation was that start-ups create high-value jobs, bring foreign capital to Estonia and thus contribute to the state budget through tax receipts. A favourable environment for the start-ups is important for the growth of the whole business sector. Due to the peculiarities of the start-ups, it is somewhat difficult to comply with the requirements stipulated in the Aliens Act. Therefore, the legislation was considered an important obstacle for establishing start-ups and recruiting employees to work in a start-up in Estonia. In order to attract talents who are important for Estonian development, there was a need to modernize the business environment.<sup>41</sup>

**Q7c.** If yes, when was the start-up scheme introduced?

Relevant legislation came into force on 18<sup>th</sup> January 2017.

**Q7d.** If yes, what legal pathways were used by start-up founders before introducing a specific start-up scheme?

Before the special scheme on start-ups came into force, the start-up founders had to apply for a short-term or a long-term visa or for a temporary residence permit for enterprise on general grounds (e.g. they had to comply with the general investments criteria). Previously they were also subject to immigration quota.

**Q7e.** If no, has there been a policy debate about the reasons for not introducing a special scheme?

N/A

**Q8a.** Does your national legislation provide for a special visa/residence permit to facilitate the immigration of TCN start-up **employees**?

Yes, a special visa is in place to facilitate the immigration of start-up employees from third countries. Please explain:

If a start-up which is established in Estonia, wishes to employ a TCN for short term, it is possible to apply for a short-term or long-term visa with the duration up to 548 days within 730 consecutive days and register the short-term employment under more flexible conditions. As an exception from the general rule, the general salary criteria for short-term employment does not apply in case of employment in a start-up company.<sup>42</sup> Additionally, as a deviation from the general rule, which allows short-term employment for up to 365 days within 455 consecutive days, the short term employment for TCNs working in a start-up is allowed for the whole duration of the legal stay.

Yes, a special residence permit is in place to facilitate the immigration of start-up employees from third countries. Please explain:

If a start-up which is established in Estonia, wishes to employ a TCN for a longer period of time, it is possible to apply for a residence permit for employment under more favourable conditions. The temporary residence permit is issued for up to 5 years and can be extended for up to 10 years. In this case the residence permit is not subject to the immigration quota<sup>43</sup> and the residence permit may be issued without meeting the requirement for permission of the Estonian Unemployment Insurance Fund and without the requirement for the amount of remuneration to be paid to a TCN<sup>44</sup>.

<sup>40</sup> Interview with an expert from Ministry of Economic Affairs and Communications

<sup>41</sup> Explanatory memorandum of the draft law, pp 5-6

<sup>42</sup> Aliens Act Article 107 (1<sup>2</sup>) 12

<sup>43</sup> Aliens Act Article 115 (1) 15

<sup>44</sup> Aliens Act Article 181 (1) 12

## Migratory pathways for start-ups and innovative entrepreneurs in the EU

No. Please explain:

**Q8b.** If your (Member) State has a special visa/residence permit in place for start-up employees, please explain the **rationale** for adopting such schemes:

In order to grow, the start-ups need qualified employers despite of their citizenship. Estonia is in need of qualified workforce and the special regulation for visa and residence permit for start-up employees was adopted to serve the need.

**Q8c.** If yes, when was the start-up scheme for employees introduced:

Relevant legislation came into force on 18<sup>th</sup> January 2017.

**Q9a.** Are there any **planned changes** in law/ policy/ practice regarding start-ups or other innovative entrepreneurs from third countries in your (Member) State?

Yes. Please explain:

No.

**Q9b.** If your (Member) State does not have any special schemes in place for start-up founders/employees, is your (Member) State **planning to introduce** these regulations in coming years?

N/A

Yes. Please explain:

No. Please explain:

**Q9c.** Have there been any recent or ongoing **national public/policy debates** with regard to facilitating the immigration of start-ups and innovative entrepreneurs from third countries?

Yes. Please explain, providing qualitative evidence:

According to the press release from the Prime Minister Jüri Ratas, the competitiveness of the Estonian start-up environment can be further enhanced.<sup>45</sup>

No.

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<sup>45</sup> Ministry of Economic Affairs and Communications webpage: <https://www.mkm.ee/en/news/ratas-competitiveness-estonian-start-environment-can-be-further-enhanced>

## Migratory pathways for start-ups and innovative entrepreneurs in the EU

### Section 3: Admission conditions for start-ups and innovative entrepreneurs from third countries

*This section aims to provide an overview of the admission conditions for start-ups and innovative entrepreneurs from third countries. To facilitate comparison:*

- *Section 3.1. focuses on evaluating the business (i.e. start-up) and should only be completed by (Member) States who have a specific process of evaluation for start-up/business plan for TCNs - If there is no specific process in place and general registration for a new business applies, please only answer Q3 in Section 1.*
- *Section 3.2 should be completed only by (Member) States which have a specific scheme in place.*
- *Section 3.3 should be completed only by (Member) States which do not have a specific scheme in place.*
- *Section 3.4. looks at four fictional scenarios and should be completed by all (Member) States.*

#### **3.1. Admission conditions from the business (start-up) perspective – evaluating the business plan and conditions that need to be met to qualify as a start-up [ONLY FOR THOSE (MEMBER) STATES WHICH HAVE SPECIFIC PROCESS TO EVALUATE THE BUSINESS/START-UP]**

**Q10.** Please explain what are the **requirements/criteria to be qualified as a start-up or innovative entrepreneur** (e.g. investment, innovative scalable business model<sup>46</sup>, prior registration in the MS, etc)?

The requirements and procedures for the assessment of compliance with the specification of a start-up company upon application for a visa or a residence permit and the list of data and evidence submitted for that purpose is set in the regulation no 8 adopted in 16.01.2017 by the Minister of the Interior.<sup>47</sup>

The most important requirement to be qualified as a start-up is to demonstrate a scalable business model. The expert Committee will not assess products/companies in the idea stage – there has to be at least MVP (minimum viable product) or a prototype to demonstrate. Idea phase applications will be rejected without being reviewed. The application has to be submitted in English. There has to be sufficient amount of information about the company/product in the application. Adding your LinkedIn profiles or CVs is strongly advised. Adding the webpage and/or pitch deck is strongly advised.<sup>48</sup>

The Committee assesses whether the business has growth potential, whether the business model is innovative and repeatable and what is the added value for the Estonian business environment.

It is important to show the strategy of the start-up, first investments, participation in incubation programmes, competition, number of users, market, etc.<sup>49</sup>

**Q11.** Please explain the **process of evaluating** the start-ups/innovative entrepreneurship, with regard to:

The process for start-ups consists of two steps:

- 1) In order to receive a start-up visa or a residence permit, the start-up needs to be assessed by the expert Committee.
- 2) Only after the positive decision by the Committee, it is possible to apply for a start-up visa or a residence permit.

<sup>46</sup> "Scalability is one of the most important factors for entrepreneurs considering starting a new business or hoping to take a current business to the next level. Successful business growth depends on a scalable business model that will increase profits over time, by growing revenue while avoiding cost increases." Source: [www.entrepreneur.com](http://www.entrepreneur.com)

<sup>47</sup> Regulation no 8 of the Minister of Interior on Conditions and procedure for the assessment of compliance with the definition of the start-up, the list of data and evidence to be provided and the requirements for their submission, available: <https://www.riigiteataja.ee/akt/118012017002>

<sup>48</sup> Startup Includer: <https://startupincluder.com/#/company/application/new/22/fbscrckdd1hmjejisigw3x73wbfbcz58>

<sup>49</sup> Interview with an expert from Startup Estonia

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The only exception to that rule is when the start-up founder is coming to Estonia to participate in a trustworthy accelerator. In that case there is no need to apply for an assessment from the expert Committee as the assessment of the start-up has already been done by the accelerator programme. Currently there are two accelerators (Buildit Accelerator and Startup Wise Guys) added to the list of programs participating in which exempts from applying for the Expert Committee's decision.<sup>50</sup>

**Q11a.** Who assesses the eligibility of the start-up? Please explain:

There is an Expert Committee established under the Ministry of the Interior. The Committee comprises of representative organisations of the start-ups to guarantee that the most professional people are deciding on which company qualifies as a start-up. Currently there are seven organisations in the Committee – Startup Estonia, Estonian Startup Leaders Club, EstBAN, Garage48, Startup Wise Guys, Tehnopol, Superangel VC.<sup>51</sup>

**Q11b.** What **documents** have to be submitted for the assessment? Please explain and indicate in case it differs for TCNs that have already founded a start-up abroad and those who are yet to set up a business:

- Business plan. Please explain: **It is essential to demonstrate a scalable business model. Idea phase applications will be rejected.**
- Means of financing (e.g. bank statements). Please explain: **At the assessment stage there is no requirement to already show means of financing, but if possible, then it is advised to show it.**
- Patents, trademarks, intellectual property. Please explain: **Not necessary at the assessment stage.**
- Qualifications and diplomas of the start-up founder. Please explain: **it is not obligatory to submit qualifications and diplomas, but it is necessary to provide LinkedIn profiles/CVs and it is strongly advised to add a webpage and/or pitch deck.**
- Evidence of registration in a national commerce register. Please explain: **Not necessary for start-up founders when applying for a start-up visa as there is no obligation to have the start-up already registered in Estonia. If a TCN founder wishes to apply for the residence permit, the start-up should be registered.**
- Others. Please explain: **it is necessary to provide LinkedIn profiles/CVs and it is strongly advised to add a webpage and/or pitch deck**

**Q11c.** On average, **how long** does it take to make a decision on whether the start-up qualifies for the scheme? Please explain distinguishing between (i) maximum processing time set in legislation and (ii) average processing time in practice:

The Start-up Expert Committee will give its assessment on whether the company qualifies for a start-up in 10 working days after receiving all the relevant information and evidence from the applicant.<sup>52</sup> In practice the decision is taken in general within 10 working days, but due to the fact that the Committee work on a voluntary basis, it may sometimes take up to one month<sup>53</sup>.

**Q11d.** How long after the decision has been communicated to the applicant, s/he can register their company/apply for the residence permit? Please explain:

According to the regulation number 8 issued by the Minister of the Interior, the Police and Border Guard Board may take into account when assessing the application for visa or residence permit or the application of extension of visa or residence permit, the expert opinion of the Committee up to five years as of issuing such an opinion.<sup>54</sup> The PBGB may require to pass the Start-up Committee again in the following cases: 1) the application for a visa or residence permit related to start-ups is submitted by a TCN who was not the

<sup>50</sup> Annex to the Regulation no 8 of the Minister of Interior on Conditions and procedure for the assessment of compliance with the definition of the start-up, the list of data and evidence to be provided and the requirements for their submission, available: [https://www.riigiteataja.ee/akt/lisa/118012017002/SiM\\_m8\\_lisa.pdf#](https://www.riigiteataja.ee/akt/lisa/118012017002/SiM_m8_lisa.pdf#)

<sup>51</sup> Interview with an expert from Startup Estonia

<sup>52</sup> Regulation no 8 of the Minister of Interior on Conditions and procedure for the assessment of compliance with the definition of the start-up, the list of data and evidence to be provided and the requirements for their submission, Article 6, available: <https://www.riigiteataja.ee/akt/118012017002>

<sup>53</sup> Interview with an expert from Startup Estonia

<sup>54</sup> Regulation no 8 of the Minister of Interior on Conditions and procedure for the assessment of compliance with the definition of the start-up, the list of data and evidence to be provided and the requirements for their submission, available: <https://www.riigiteataja.ee/akt/118012017002>

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founder of the start-up when first applying for the assessment of the start-up and whose personal information was not submitted in the application; 2) the PBGB reopens the administrative procedure (e.g. when new important information arises that was not known to the applicant before); 3) when applying for an extension of the visa or residence permit doubt arises that the start-up may not qualify as one anymore; 4) when the administrative body exercises supervision (e.g. when the PBGB performs migration monitoring to assess whether the conditions for issuing a visa or a residence permit are still fulfilled).

**Q11e.** How is the application process managed? Please explain:

Online. Please explain:

The applications to the Start-up Committee can be issued online via *startupincluder*<sup>55</sup>. All the relevant institutions have access to the platform (e.g. the PBGB, Ministry of Foreign Affairs, Ministry of the Interior). The decision of the Committee will be sent to the applicant via e-mail or other suitable manner.

In person. Please explain:

Other. Please explain:

### 3.2 Admission conditions from the person perspective (start-up founders and employees) [ONLY FOR THOSE (MEMBER) STATES WHICH HAVE A SPECIFIC START-UP SCHEME]

**Q12a.** What are the **requirements** for applying for a **start-up visa** – if applicable (e.g. sufficient means, prior approval of start-up by the responsible authority, insurance, etc.)? Please differentiate in case it applies to:

Start-up founders. Please explain:

There are more favourable conditions foreseen for TCNs wishing to apply for a start-up visa if the start-up Committee has already given its positive decision or if the start-up has been added to the list of programmes enacted in the annex of the regulation no 8.<sup>56</sup> If generally applying for a long-term visa in order to do business in Estonia, the person has to already have a business registered in Estonia, then in case of start-up visa for founders, this requirement does not have to be met.<sup>57</sup>

When applying for the start-up visa, a TCN has to submit the following documents:

- 1) Visa application
- 2) Photo
- 3) Travel document
- 4) The proof of payment of a state fee
- 5) The start-up Committee's positive decision or the code which he or she has received when receiving the positive decision for the evaluation of the start-up or a proof that the start-up is part of one of the programmes enacted in the annex of the regulation no 8.
- 6) The proof of sufficient means. When applying for the visa for start-ups, there is an exception from the general rule regarding the rate of funds which are considered sufficient to cover the expenses while being in Estonia. The rate for start-up founders is 0.03 times of the subsistence level for every day spent in Estonia.<sup>58</sup> In 2019 the subsistence level is 150 euros in a month.
- 7) Insurance documents

Start-up employees. Please explain:

There are more favourable conditions foreseen for TCNs wishing to apply for a start-up visa if the start-up Committee has already given its positive decision or if the start-up has been added to the list of

<sup>55</sup> Startup Includer: <https://startupincluder.com/#/company/application/new/22/fbscrckdd1hmjejisjgw3x73wbfbcz58>

<sup>56</sup> Annex to the Regulation no 8 of the Minister of Interior on Conditions and procedure for the assessment of compliance with the definition of the start-up, the list of data and evidence to be provided and the requirements for their submission, available: [https://www.riigiteataja.ee/akt/lisa/1180/1201/7002/SiM\\_m8\\_lisa.pdf#](https://www.riigiteataja.ee/akt/lisa/1180/1201/7002/SiM_m8_lisa.pdf#)

<sup>57</sup> Interview with an expert from PBGB

<sup>58</sup> Procedures for the issuing of long-stay visas, formalization of stay, extension of stay, deadlines, rate of sufficient financial means, rate of the health insurance contract and forms for applying for a long-stay visa and extension of stay, <https://www.riigiteataja.ee/akt/118012019005>

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programmes enacted in the annex of the regulation no 8.<sup>59</sup> As an exception from the general rule, the general salary criteria for short-term employment does not apply in case of employment in a start-up company.<sup>60</sup> Additionally, as a deviation from the general rule, which allows short-term employment for up to 365 days within 455 consecutive days, the short term employment for TCNs working in a start-up is allowed for the whole duration of the legal stay.

When applying for the start-up visa, a TCN employee has to submit the following documents:

- 1) Visa application
- 2) Photo
- 3) Travel document
- 4) The proof of payment of a state fee
- 5) The start-up Committee's positive decision or the code which he or she has received when receiving the positive decision for the evaluation of the start-up or a proof that the start-up is part of one of the programmes enacted in the annex of the regulation no 8.
- 6) The proof of sufficient means. When applying for the visa for start-ups, there is an exception from the general rule regarding the rate of funds which are considered sufficient to cover the expenses while being in Estonia. The rate for start-up founders is 0.03 times of the subsistence level for every day spent in Estonia.<sup>61</sup> In 2019 the subsistence level is 150 euros in a month.
- 7) Insurance documents

In order to come to Estonia with a visa to work in a start-up, the employer has to register the short-term employment of the TCN at the PBGB before applying for a visa. The business where the TCN will start to work has to be established in Estonia. In case of start-ups, the short-term employment application is going through an expedited procedure and the TCN may start working on the same calendar day as the short-term employment was registered at the PBGB. The acceptance will be given before the requirements are assessed.<sup>62</sup>

**Q12b.** What are the **requirements** for applying for a start-up **residence permit** – if applicable (e.g. sufficient means, prior approval of start-up by the responsible authority, insurance)? Please differentiate in case it applies:

- Start-up founders. Please explain:

The start-up founders can apply for a temporary residence permit for enterprise under more favourable conditions, e.g. not subject to quota, there is no obligation to prove previous investments, no need to submit a business plan as this has been already submitted to the start-up Committee. TCNs will have to submit<sup>63</sup>:

- 1) Application for residence permit
- 2) The start-up Committee's positive decision or the code which he or she has received when receiving the positive decision for the evaluation of the start-up or a proof that the start-up is part of one of the programmes enacted in the annex of the regulation no 8.
- 3) Photo
- 4) Passport
- 5) The proof of payment of a state fee

When signing the application, the TCN confirms that he or she has the necessary health insurance and sufficient legal income. The necessary legal income rate for start-up founders applying for the residence

<sup>59</sup> Annex to the Regulation no 8 of the Minister of Interior on Conditions and procedure for the assessment of compliance with the definition of the start-up, the list of data and evidence to be provided and the requirements for their submission, available: [https://www.riigiteataja.ee/akt/1180/1201/7002/SiM\\_m8\\_lisa.pdf#](https://www.riigiteataja.ee/akt/1180/1201/7002/SiM_m8_lisa.pdf#)

<sup>60</sup> Aliens Act Article 107 (1<sup>2</sup>) 12

<sup>61</sup> Procedures for the issuing of long-stay visas, formalization of stay, extension of stay, deadlines, rate of sufficient financial means, rate of the health insurance contract and forms for applying for a long-stay visa and extension of stay, <https://www.riigiteataja.ee/akt/118012019005>

<sup>62</sup> PBGB webpage: <https://www2.politsei.ee/et/teenused/eestis-tootamine/luhialalise-tootamise-registreeimine/>

<sup>63</sup> Regulation no 7 of the Minister of Interior on Procedures for applying and extending a temporary residence permit and applying for a long-term residence permit and for restoring it and the rates of legal income, Article 16, available: <https://www.riigiteataja.ee/akt/128032017006?leiaKehtiv>



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permit is single subsistence level monthly (currently 150 euros).<sup>64</sup> The TCN has to prove the sufficient the legal income and that he or she has a health insurance only upon the request of the PBGB.<sup>65</sup>

Start-up employees. Please explain:

Start-up employees can apply for a temporary residence permit for employment under more favourable conditions, e.g. not subject to quota, no salary criteria or permission from the Unemployment Insurance Fund.

The following documents have to be submitted<sup>66</sup>:

- 1) Application
- 2) The start-up Committee's positive decision or the code which he or she has received when receiving the positive decision for the evaluation of the start-up or a proof that the start-up is part of one of the programmes enacted in the annex of the regulation no 8.
- 3) Photo
- 4) Passport
- 5) The proof of payment of a state fee
- 6) Invitation by the employer

**Q12c.** Are there different requirements for TCNs **applying from abroad and those looking to change their status** (e.g. from a student to a start-up visa)? Please differentiate in case it applies:

- Start-up founders. Please explain: **There is no difference.**
- Start-up employees. Please explain: **There is no difference.**

**Q12d.** Are different **statuses** compatible and/or possible **at the same time**? (e.g. a TCN that is in your country as a highly skilled employee (or under other migratory category), and at the same time is setting up a start-up, or even running it)

Yes. Please explain: **There are no restrictions if you wish to engage in doing business while staying in Estonia legally as a (highly skilled) employee or under other migratory category. Besides doing business, a TCN who has been granted a temporary residence permit for employment may also be employed by several employers concurrently following the conditions determined in the residence permit for employment.**

No.

If a TCN is staying in Estonia with a long-term visa and his/her employer has registered the short-term employment, the TCN is not allowed to be employed in a start-up at the same time.

**Q13. How** is the application processed? Please explain:

After the start-up has been assessed by the Expert Committee and the founder has received a positive decision on the start-up from the Committee, he or she can either apply for a visa or a residence permit. For a founder it is most convenient to first apply for a visa and while in Estonia it is possible to apply for a residence permit. Or in case the founder has e-residency, he or she can establish the business online in Estonia and apply for a residence permit.

In case a start-up, which is established in Estonia wishes to hire employees from third countries, the start-up needs to receive an assessment from the Committee and register the short-term employment in Estonia and after that is possible for the TCN to apply for a visa. It is also possible to apply for a residence permit.<sup>67</sup>

The fact that the expert Committee has approved the start-up, does not give a guarantee for a residence permit. In order to issue a visa or a residence permit, additional background checks are performed by the relevant authorities and issuing a visa or residence permit can be refused if relevant grounds exist (e.g. the TCN constitutes a threat to public order etc).

<sup>64</sup> Regulation no 7 Article 53 (2)

<sup>65</sup> Interview with an expert from PBGB

<sup>66</sup> Regulation no 7 of the Minister of Interior on Procedures for applying and extending a temporary residence permit and applying for a long-term residence permit and for restoring it and the rates of legal income, Article 16, available: <https://www.riigiteataja.ee/akt/128032017006?leiaKehtiv>

<sup>67</sup> Interview with an expert from PBGB

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**Q13a.** To which **authorities** is the application submitted?

The short-term visa must be applied for in person at an Estonian foreign representation which handles visa applications. The long-term visa and residence permit can be applied either at Estonian foreign representation or at a service point of the Police and Border Guard Board in Estonia if the TCN has a legal ground to stay in Estonia.

**Q13b.** Where can the application for the start-up visa/residence be submitted? Please explain:

Online. Please explain: It is possible to apply for an extension of a residence permit either by email, by post or in person. If a TCN has an e-residency card, it is possible to apply for the first residence permit also by email.

In person. Please explain: if a TCN does not have an e-residency card, they have to apply for the first visa or residence permit in person.

Other. Please explain:

**Q13c.** Could the start-up founder **employ third-country nationals**? Under which scheme? What are the conditions that they have to fulfil?

Yes, also the third-country nationals who wish to work in a start-up in Estonia can benefit from the special regulations for start-ups. Please see question 12 a and b.

**Q13d.** What is the **processing time** for application of start-up visa/ start-up residence permit? Please explain distinguishing between (i) maximum processing time set in legislation and (ii) average processing time in practice:

1) According to legislation the processing time for application of visa at the foreign representation is 30 days. When applying for a visa in the PBGB service point the processing time is 10 days. The processing time for residence permit is 2 months. The registration of short-term employment to work in a start-up is done in an expedite procedure, hence it comes into force the same day the application is submitted.

2) In practice the processing time for a visa in a foreign representation is faster than 30 days. The processing time for the residence permit in practice is 2 months.<sup>68</sup>

**Q13e.** What is the **duration** of the visa/residence permit granted?

The long-stay visa for engagement in start-up enterprise or to be employer in a start-up is issued with a duration of up to one year and it is possible to extend the visa provided that the whole period of stay of the TCN with a long-stay visa is no longer than 548 days within 730 consecutive days.<sup>69</sup>

The temporary residence permit for enterprise related to start-up business or temporary residence permit for employment in a start-up may be issued for up to 5 years and can be extended for up to 10 years. In case the employment contract is concluded for a shorter period, the duration of the residence permit will be shortened correspondingly.

**Q13f.** What are the **challenges** regarding admission of start-ups and innovative entrepreneurs from the national stakeholders' perspective as well as if possible, from the TCNs perspective? *For each challenge mentioned, please describe a) for whom it is a challenge (e.g. policy-maker, organisation, other stakeholders), b) why it is considered a challenge and c) what is the source of the statement – e.g. based on input from experts, surveys, evaluation reports or from other sources (please indicate which ones).*

From the State perspective, the main challenges noted during the interviews were the following:

1) Estonia is a small country with a small number of foreign representations, hence there are limited places where to apply for a visa or a residence permit abroad.

2) The staff resources in Startup Estonia are limited and therefore they are sometimes not able to reply promptly. There is a need for more human resources to give consultations to start-up founders and employees. The migration advisors who work in the Police and Border Guard Board and who assist foreigners to settle in Estonia are of great help, but there is a need for more advisors.

<sup>68</sup> Interview with an expert from PBGB

<sup>69</sup> Aliens Act Article 67



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3) Although the general information on start-up visa and the application process is in English, not all relevant documents and websites are in English.<sup>70</sup>

4) The start-up Expert Committee runs on a voluntary basis. If the number of application grows, being part of the Committee might become too burdensome on a voluntary basis.

5) Deciding on who should be in the Expert Committee can be challenging to avoid participation of anyone who could take advantage of the work in the Committee.<sup>71</sup>

Nonetheless, according to the Police and Border Guard Board there has not been any noteworthy challenges partly due the fact that the new scheme has been working for a relatively short period of time and also because of the two level application system.<sup>72</sup>

According to a survey by Brand Manual conducted in August-September 2018 the following challenges were identified by start-up founders that relate to admission:

1) Being able to open a bank account is difficult as there are harsh requirements and the fees are high.

2) The start-up visa program needs to be better communicated within the public service. This requires context, to allow officials to understand not only the visa application procedure, but why there is something like a start-up visa in the first place.

3) Lack of international flight connections is a problem for expats in general and international businesses specifically.

4) Language barrier. There is lack of information in languages other than Estonian. The subsections in homepages of public institutions are often not in English, the knowledge of English is poor among officials, relevant documents in public institutions are often only in Estonian.

5) The public sector stakeholders' knowledge of start-up visa and relocation options are episodic.

**Q13g.** What are the **good practices** identified in your (Member) State? *For each good practice mentioned, please describe a) for whom it is a good practice (e.g. policy-maker, organisation, other stakeholders), b) why it is considered a good practice and c) c) what is the source of the statement – e.g. based on input from experts, surveys, evaluation reports or from other sources (please indicate which ones).*

The relatively new **start-up scheme** itself can be considered good practice from the start-up point of view as it facilitates establishing and developing start-ups in Estonia as well as from the country's point of view as it has helped to attract international start-ups and talents.

As the system has **two levels** – the evaluation of the business proposal by the Start-up Committee as well as the processing of visa or residence permit by the PBGB – it is considered thorough and not easy to misuse. A well-working system also from the practical side was established by the time the new legislation was adopted. The start-up visa/residence permit scheme functions well and is effective.<sup>73</sup>

The governmental initiative - **Startup Estonia** provides essential assistance and support to start-up founders and employers providing various events, building the start-up community, carrying out training programs, help attracting foreign investors etc. Startup Estonia is the first organisations with whom the start-up founders and employers come across with.

**The Migration Advisors** <sup>74</sup>who work at the Police and Border Guard Board and who assist foreigners to settle in Estonia are of great help for start-up founders and employees.

A good practice is also the possibility to submit the application to the Start-up Committee **online**. Also the possibility to first apply for the **e-residency** gives a possibility to establish a start-up company based in

<sup>70</sup> Interview with an expert from Startup Estonia

<sup>71</sup> Interview with an expert from Ministry of Economic Affairs and Communications

<sup>72</sup> Interview with an expert from PBGB

<sup>73</sup> Interview with an expert from Ministry of Economic Affairs and Communications

<sup>74</sup> The Estonian Police and Boarder Guard Board offers migration advising services free of charge. The migration advisors' task is to support foreigners settling in Estonia and to be partners to employers, entrepreneurs, educational institutions and to others who invite foreigners to Estonia. Advice is given in Estonian, English and Russian.

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Estonia from abroad before even arriving in Estonia and applying for a residence permit from abroad as well.<sup>75</sup>

### 3.3 Admission conditions in those (Member) States which do not have a specific scheme for start-ups [FOR THOSE (MEMBER) STATES WHICH DO NOT HAVE A SPECIFIC START-UP SCHEME]

**Please not that this section should only be answered by (Member) States which do not have a specific scheme for start-ups/innovative entrepreneurs in place.**

N/A

**Q14a.** What types of **visas / residence permits** does your (Member) State have in place that could be used by TCN start-up founders / innovative entrepreneurs to establish themselves in your country?

**Q14b.** What are the **requirements** for obtaining the residence permit?

**Q14c.** What are the **factors/conditions that incentivise** start-ups and innovative entrepreneurs to use specific immigration routes?

**Q14d.** Which **authority** (ies) is/are responsible for granting the residence permit?

**Q14e.** What is the **processing time** for application for the residence permit in your legislation? Please explain distinguishing between (i) maximum processing time set in legislation and (ii) average processing time in practice:

**Q14f.** What is the **duration** of the visa/residence permit?

**Q14g.** Could the start-up founder **employ third-country nationals**? Under which scheme? What are the conditions that they have to fulfil?

**Q14h.** What are the **challenges** regarding admission of start-ups and innovative entrepreneurs from the national stakeholders' perspective as well as if possible, from the TCNs perspective? *For each challenge mentioned, please describe a) for whom it is a challenge (e.g. policy-maker, organisation, other stakeholders), b) why it is considered a challenge and c) what is the source of the statement – e.g. based on input from experts, surveys, evaluation reports or from other sources (please indicate which ones).*

**Q14i.** What are the **good practices** identified in your (Member) State? *For each good practice mentioned, please describe a) for whom it is a good practice (policy-maker, organisation, other stakeholders), b) why it is considered a good practice and c) c) what is the source of the statement – e.g. based on input from experts, surveys, evaluation reports or from other sources (please indicate which ones).*

### 3.4. Case study scenarios [FOR ALL (MEMBER) STATES]

With the use of fictional scenarios, the following question aims to provide an understanding of the possible admission options of different types of start-ups and innovative entrepreneurs. This question should be answered by all (Member) States – i.e. those with a specific scheme in place and those without such a scheme.

**Q15.** Please consider the following fictional scenarios (case studies) and for each scenario, please answer the following questions:

1. What are the migratory pathways (visas/residence permits) available?
2. Would the person qualify for the permit and if yes, under what specific conditions?
3. Which authority would assess the eligibility of the applicants?
4. What is the application process?
5. How long would it take for the person to obtain the permit?

- 1. TCN outside of the EU, has not set up business yet: Start-up at business plan stage, has not registered the company in the Member State, wants to apply from outside the EU**

*Vihaan is a highly skilled professional from India with a Master's degree from University of Delhi, currently living in Delhi. For the past few months he has been working in an IT company there, but he plans to start his own business in the near future. He already has a business plan for a service-*

<sup>75</sup> Interview with an expert from Startup Estonia

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*based app that he thinks could do well in your Member State. His goal is to come to your Member State and start his company there. What is the process that Vihaan would have to go through to build his start-up in your Member State?*

As it seems Vihaan only has an idea of the service-based app. Hence most probably he would not qualify for the start-up visa or a residence permit yet as the Start-up Committee does not accept start-ups that are only in an idea phase. He could submit an online application to the Committee, but the application would most probably be rejected. He should work on the scalable business plan and create a prototype before applying for the assessment of the start-up.

When the negative decision from the Committee is sent to the applicant, there is also information about job vacancies and on how to become an e-resident attached.

Vihaan could apply for e-residency and in case of positive decision establish a company in Estonia online.

He could also apply for another job in Estonia, come to Estonia to work in another company and at the same time work on his start-up idea. If the other company is considered start-up by the Committee, he could get a start-up visa or temporary residence permit for employment in a start-up. If the company is not a start-up he should apply for a temporary residence permit for employment on general grounds or his employer should register his short-term employment and he could apply for a long-stay visa.

### **2. TCN already in the EU, working as a highly skilled employee: Highly skilled third-country national who came on an EU Blue Card or an alternative national permit for highly skilled workers working for a company in a certain industry; after 2 years of working for the company wants to start his/her own business**

*Amel is a Tunisian citizen working for "B Solutions", a biotech company in your Member State on an EU Blue Card permit or an alternative national permit for highly skilled workers arranged through her employer. After having worked for the company for two years, she feels that she is ready to take on a new challenge. She would like to start her own business in the same sector and set up a company that offers high-tech solutions to recycle waste in new, innovative ways, remaining in your Member State. What are her possibilities?*

In case Amal continues to work in the biotech company, she can engage in doing business at the same time. She can start her own company while being employed in the biotech company. If she wishes to quit working in the biotech company and has more than idea on her business, she could register her business and apply for an assessment for her start-up by the Committee. The expert Committee will make a decision in 10 days. If the start-up Committee approves her start-up, she can apply for a temporary residence permit for enterprise related to start-up, which will take up to two months.

### **3. TCN outside of EU, registered company: Start-up just started, registered company outside the EU would like to set up in the Member State**

*Sergey from Minsk, Belarus owns a company "Icomp Technologies", a manufacturing company which has just launched the production of electronic components in IoT (Internet of Things) technology sector. The company has already shipped some experimental production to third country markets, such as Japan and Malaysia, and based on the initial success it was decided to reallocate company's headquarters to your Member State for further business development. What is the process that Sergey would have to go through to move the headquarters? Are there any additional provisions for other staff members aiming to reallocate to a Member State?*

Sergey should make an application to the expert Committee to assess whether his company is a start-up. In case of a positive decision (which is likely), he can apply for a start-up visa, then come to Estonia and register the company here. After the company is registered, he can apply for the residence permit for enterprise related to start-ups. Alternatively, he could apply for the e-residency and register the company in Estonia while being in Minsk. After the company has been registered in Estonia and the Committee has approved his start-up, he can apply for the residence permit at once.

Also, Sergey could apply to one of the accelerators in Estonia with his start-up in which case he does not need to get an approval from the Committee.

### **4. TCN already in the EU, PhD or master student**

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*Auri is a Dominican PhD student at a university in your Member State in the field of biotechnology studies. In parallel to her studies (outside her PhD contract), Auri researched fermentation and revealed yet unknown characteristics of the investigated ferment. Auri discovered that the reaction between the researched ferment and a specific enzyme could have a particular effect on human's skin regeneration. She was approached by a potential investor who saw the potential of the discovery in the medical cosmetology sector. Auri would like to register a company in your Member State and undertake further necessary research to receive patents and start the production of agents as a next stage. What are her possibilities?*

If she continues her studies, she can register a company in parallel and engage in doing research. In case her residence permit for study has terminated on the date of expiry, she can stay in Estonia for 270 days as of the day of the expiry of the period of validity of the residence permit and she can apply for a new residence permit during that time.

She could apply for a temporary residence permit issued for settling permanently in Estonia. In case she has a doctorate degree and it has been recognized by ENIC/NARIC, she may be issued the residence permit without applying additional conditions stipulated in the Aliens Act (e.g. there is no obligation to reside in Estonia for at least three years during five consecutive years). The conditions are also not applied if she has acquired higher education in Estonia in the studies based on the integrated curricula of the Bachelor's and Master's studies or in the Master's or Doctoral studies.

She can also apply for a new temporary residence permit for enterprise related to start-ups. For that she needs to make an application to the expert committee and in case of positive decision she can apply for the residence permit at the PBGB. This ground for residence permit is most suitable in case she wishes to employ people to her start-up from third countries.

## Section 4: Attracting start-ups and innovative entrepreneurs from third countries

*This section examines the measures and incentives to attract TCN start-ups and other innovative entrepreneurs in place in the (Member) States.*

**Q16.** Does your (Member) State have specific **measures** in place to **attract** start-up founders and innovative entrepreneurs from third countries?

Yes. Please explain briefly here the main measures and complete table in Q18 below:

In addition to more favourable regulations on start-up visa and residence permit, Estonia has a busy, supportive and open start-up ecosystem eager to support ambitious individuals and start-ups. There are various incubator and accelerator programmes, possibilities for funding, mentoring, co-working spaces, trainings and events. Except for the facilitation of admission, these measures are not meant specifically for start-up founders and employees from third countries, the support is available on general grounds.

No

**Q17a.** Are the following **actors** involved in attracting and encouraging the start-ups and innovative entrepreneurs from third countries?

Private sector. If yes, please elaborate how are they involved:

In Estonia the private sector is actively invested in attracting start-ups. In general the private and public sector have good cooperation in attracting start-ups. One example of private sector's involvement is participation in the expert committee.

Also the Employers Confederation and the Estonian Chamber of Commerce and Industry engage in different activities that generally promote having workers from third countries in the Estonian companies.

Universities and Higher Education Institutions (i.e. encouraging international students to stay as start-up entrepreneurs). Please elaborate:

Universities in Estonia offer programs and services for start-ups, which are not specifically targeted for third-country nationals, but they can also benefit if studying in Estonia.

TalTech Mektory: Business idea development program "STARTERTallinn"; TalTech Mektory start-up preincubation program; Makerlab open workspace for students to develop their start-up ideas; TalTech Mektory Startup Competition; hackathons; labs for building prototypes.<sup>76</sup>

University of Tartu: The University of Tartu IdeaLab is providing pre-incubation services (workshops, consultation, collaboration with experts and scientists) for all students and University of Tartu early-stage start-up teams. Also support for spin-offs is provided.

Tallinn University offers several entrepreneurship programs like STARTERTallinn, Startup Passion, Loomehäkk and others.

During 2018, Work in Estonia and Study in Estonia – both government led initiatives – have started to promote employment among international students in Estonia by organizing recruitment events with companies that are open to hire internationals. Thus, encouraging them to stay as employees in startups as their studies finish.<sup>77</sup>

Local and regional authorities (e.g. cities and regions). Please elaborate:

The county development centres are located in each county, which offer free counselling for start-up and operating companies, non-profit associations and foundations. The Network includes 15 centres with a total of more than 160 staff.

Other actors. Please elaborate:

<sup>76</sup> Teltech: <https://www.ttu.ee/projektid/mektory-est/ttustartup/>

<sup>77</sup> Work in Estonia

## Migratory pathways for start-ups and innovative entrepreneurs in the EU

One of the main actors involved in attracting start-up founders and employees from third countries is Startup Estonia. The program is powered by KredEx<sup>78</sup> and financed from the European Regional Development Fund. Startup Estonia is a governmental initiative aimed to supercharge the Estonian start-up ecosystem partnering with and uniting the best of start-ups, incubators, accelerators, private and public sector. The main activities of Startup Estonia are:

1. Strengthening the Estonian startup ecosystem – uniting and building the community through different events and activities, creating and executing unified marketing and branding strategies;
2. Carrying out training programs for start-ups in areas they currently lack certain knowledge of that keeps them from achieving their (international) business goals;
3. Working on educating the local investors to help them invest more and smarter, help attract foreign investors to Estonia, and kickstart new accelerator funds in order to bring more smart money into the local ecosystem;
4. Working on eliminating regulative issues and barriers that are complicating the process of operating a start-up, investing or raising funding in Estonia, and implementing start-up friendly regulations such as the Startup Visa.<sup>79</sup>

Additionally the goal of Work in Estonia, which is a part of Enterprise Estonia – a national foundation to support entrepreneurship, is to attract foreign specialist. Work in Estonia offers services mostly for employers to ease the recruitment of foreign talents. Some examples of the measures:

- Foreign recruitment grant aims to support employers in relation to costs of foreign recruitment (both when recruiting from the EU and third countries). The size of the grant is 2,000 per ICT specialist who has arrived from abroad to work in Estonia.
- Support materials that focus on moving to Estonia: a relocation handbook “Relocation Guide”, videos about working in Estonia, featuring foreigners who already live here, employers, etc.
- Step-by-step guidelines on foreign recruitment, compiled in cooperation with the Institute of Baltic Studies.
- Recruitment campaigns on selected target markets in cooperation with employers, for example Career Hunt Tallinn.
- Career counselling for spouses of foreign specialists, in cooperation with the Unemployment Insurance Fund.

Additionally in 2018 International House of Estonia was opened in Ülemiste City which is a service centre meant for foreign specialists and employers hiring them, so that they can communicate with the state and local governments, receive consultation services and build a contact network.

**Q17b.** Do government authorities cooperate with the **private sector** in attracting start-ups and innovative entrepreneurs from third countries? Please specify which government institutions and private-sector actors (e.g. companies, employer associations etc.) are involved.

Yes. Please explain: In Estonia, the private sector is actively invested in attracting start-ups. The private and public sector have good cooperation in attracting start-ups. One example of private sector's involvement is participation in the expert committee. The specific start-up scheme was initiated by private sector. Startup Estonia does cooperation with private sector also in promoting the start-up scheme by inviting representative of a company to speak about the experience. Also Work in Estonia does marketing campaigns at IT conferences abroad together with companies, social media activities, etc.

No

**Q18.** Please complete the table below with regard to the (applicable) **(I) Rights and (II) Incentive measures** in place to attract start-up founders (not employees) from third countries in your (Member) State.

<sup>78</sup> KredEx is a foundation setup by the Estonian Ministry of Economic Affairs and Communications in 2001 with the aim of providing financial solutions based on the best practices in the world. For companies, they offer loans, venture capital, credit insurance and state-backed guarantees for faster development and safe expansion into foreign markets.

<sup>79</sup> Startup Estonia webpage: <https://www.startupestonia.ee/about>

## Migratory pathways for start-ups and innovative entrepreneurs in the EU

### **I. RIGHTS**

<b>Rights</b>	<b>Brief description of the rights granted</b>
<b>Facilitation to access permanent residence</b>	Start-up founders and employees access to temporary residence permit is facilitated, but permanent residence permit is granted on general grounds.
<b>Access to employment</b>	Yes, there are no restrictions in legislation, but the requirements for receiving the residence permit for enterprise related to start-ups have to be continuously met.
<b>Possibility to be accompanied by family members</b>	<p>Yes, if a TCN is issued a visa for engagement in start-up enterprise, a visa may be issued to the spouse, a minor child or an adult child who due to his or her health status or disability is unable to cope independently, under the same conditions as to the specified TCN.</p> <p>If a TCN is issued a visa for engagement in start-up enterprise, a short-stay or long-stay visa may be issued to the spouse, a minor child or an adult child who due to his or her health status or disability is unable to cope independently.<sup>80</sup></p> <p>If a TCN is issued a residence permit for enterprise related to start-ups, a residence permit may be issued also the family members. In case a TCN has been issued a temporary residence permit for enterprise or a temporary residence permit for employment, the requirement for registered place of residence and actual dwelling shall not be applied as a requirement for the issue of a temporary residence permit to settle with the spouse.</p>
<b>Family members allowed to access the labour market</b>	Yes, family members have unlimited access to labour market.
<b>Other rights</b> (please specify)	Start-up founders and employees have the same access to social benefits as other legally staying third-country nationals.

<sup>80</sup>Aliens Act Article 62<sup>4</sup>



**II. INCENTIVE MEASURES (refers to governmental, private sector and structural incentives)**

Measure	Brief description of the measure	Are the attraction measures <b>campaign-like or permanent</b> measures?	Who implements the measure? (state, private sector, in cooperation etc)	Applies to:	
				TCNs only	General
<p><b>Facilitations for admission;</b> <i>If yes, please explain what they entail (shortened processing time, reduced documentary requirements etc.)</i></p>	<p>According to the Aliens Act<sup>81</sup> a visa for engagement in start-up enterprise may be issued if the stay of a TCN in Estonia is related to the creation or development of a start-up company in Estonia. A TCN may be issued a short-stay or long-stay visa for engagement in start-up enterprise. The long-stay visa is issued with a duration of up to one year and it is possible to extend the visa for engagement in start-up enterprise, provided that the whole period of stay of the alien with a long-stay visa is no longer than 548 days within 730 consecutive days.<sup>82</sup> When applying for the visa for start-ups, there is an exception from the general rule regarding the rate of funds which are sufficient to cover the expenses while being in Estonia. The rate for start-up founders is 0.03 times of the subsistence level for every day spent in Estonia.<sup>83</sup> Additionally if start-up founder is applying for a visa, the actual establishment of the business in Estonia is not necessary at the time of applying.</p> <p>If a TCN has established a start-up enterprise in Estonia, he or she may apply for a temporary residence permit for enterprise under more favourable conditions. According to the Aliens Act<sup>84</sup> the TCN who is applying for a temporary residence permit for enterprise related to start-up business is not included in calculating the fulfilment of the immigration quota. Additionally, if on general grounds the TCN is required to have the capital in the amount of at least 65,000 euros, which is invested in business activity in Estonia or if a TCN who is applying for a temporary residence permit for enterprise as a sole proprietor is required to have the capital in the amount of at least 16,000 euros invested in Estonia, then these requirements do not apply for start-up founders. Also when applying for a residence permit, there is no need to submit the business plan to the PBGB as it has been already assessed by the expert Committee.</p>	Permanent measures	State		

<sup>81</sup> Aliens Act Article 62<sup>4</sup>

<sup>82</sup> Aliens Act Article 67

<sup>83</sup> Procedures for the issuing of long-stay visas, formalization of stay, extension of stay, deadlines, rate of sufficient financial means, rate of the health insurance contract and forms for applying for a long-stay visa and extension of stay, <https://www.riigiteataja.ee/akt/118012019005>

<sup>84</sup> Aliens Act Article 115 (1) 16, Article 192



## Migratory pathways for start-ups and innovative entrepreneurs in the EU

Measure	Brief description of the measure	Are the attraction measures <b>campaign-like or permanent</b> measures?	Who implements the measure? (state, private sector, in cooperation etc)	Applies to:	
				TCNs only	General
<b>Access to special funding and investments (e.g. micro-loans)</b>	<p>There are various funding opportunities in Estonia, some of which are meant specifically for start-ups.<sup>85</sup> KredEx is a foundation set up by the Ministry of Economic Affairs and Communications in 2001 with the aim of providing financial solutions based on the best practices in the world. KredEx is providing venture capital through funds of funds to help Estonian start-up companies and well-established and fast-growing companies expand and finance their growth. Some examples of financing opportunities:</p> <p>Financing for businesses in different phases is provided by five private equity and venture capital funds that have received funding from the Baltic Innovation Fund which is fund of funds initiative created by European Investment Fund and the Governments of Estonia, Latvia and Lithuania. These five funds are BaltCap Private Equity Fund II, BPM Mezzanine Fund, Livonia Partners Fund, Karma Ventures Fund I, BaltCap Growth Fund.<sup>86</sup></p> <p>Also Estonian Government has agreed to participate in Baltic Innovation Fund II investing 26 million euros over the next four years, which in turn aims to invest in early and growth stage Baltic businesses.<sup>87</sup></p> <p>Estonian state-owned financial institution KredEx, via the EstFund initiative and the European Investment Fund (EIF), has made contributions to the Equity United PE I and Tera Ventures Fund II investment funds. With this investment in Tera Ventures Fund II and Equity United PE I, EstFund and the EIF aim to support many innovative promising Estonian enterprises. Tera Ventures Fund II focus on venture capital investments in innovative early-stage companies. Equity United PE I on the other hand provides expansion capital to those SMEs with high growth potential which are aiming to expand to new products or markets.<sup>88</sup></p> <p>SmartCap is a KredEx subsidiary and the manager of the state venture capital fund Early Fund II. The SmartCap-managed Early Fund II operates as a fund of funds and invests into Estonian venture capital funds, which in turn, together with private investors, invest</p>	Campaign like and permanent measures	Mostly Kredex?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<sup>85</sup> Delfi Ärileht, Kust leida idufirma arendamiseks tuge ja rahastust? 27.03.2019, <https://arileht.delfi.ee/news/rahatarkus/kust-leida-idufirma-arendamiseks-tuge-ja-rahastust?id=85719247>

<sup>86</sup> Baltic Innovation Fund, FACT BOOK I Q2 2018: <http://media.vooq.com/0000/0035/9563/files/BIF%20Factbook.pdf>

<sup>87</sup> Participation in Investment fund II Baltic Innovation Fund: <https://www.riiqiteataja.ee/akt/315032019002>

<sup>88</sup> Err, Estonian companies to get around €100 million with help of EstFund: <https://news.err.ee/843883/estonian-companies-to-get-around-100-million-with-help-of-estfund>

## Migratory pathways for start-ups and innovative entrepreneurs in the EU

Measure	Brief description of the measure	Are the attraction measures <b>campaign-like or permanent</b> measures?	Who implements the measure? (state, private sector, in cooperation etc)	Applies to:	
				TCNs only	General
	<p>into early-phase Estonian technology companies with high international growth potential. The sole unitholder in Early Fund II is the Republic of Estonia. In 2018 the SmartCap funded Superangel fund, which is an early-phase investment fund whose aim is to invest into 40 early-phase techs in the next 10 years. The fund's team invests its time and capital to help to create new tech companies and support their growth. In 2018, the fund managers created a start-up accelerator called Alpine House.<sup>89</sup></p> <p>Estonian Business Angels Network is an umbrella organisation for business angels and business angel groups seeking investment opportunities in Estonia and its neighbouring regions with an aim to grow the quantity and quality of local seed stage investments. EstBAN is looking for start-ups that need between EUR 20 000 to EUR 500 000 in capital at any industry except real estate and gambling.<sup>90</sup></p> <p>Other financial services for start-ups:</p> <ul style="list-style-type: none"> <li>• <b>A starter loan</b> is useful if the company start-up phase is hindered by lack of seed capital and the company lacks sufficient collateral and history for obtaining a bank loan (Kredex).</li> <li>• <b>A loan guarantee</b> is useful if a company wishes to use a bank loan, a lease or bank guarantee but lacks sufficient collateral or operating history to be issued a loan (Kredex).</li> <li>• <b>An industry loan</b> is useful if a company wishes to use a bank loan or lease for making an investment but lacks self-financing. In such a situation, an industry loan, being a subordinated loan, can increase the company's self-financing in the eyes of co-financing sources (Kredex).</li> </ul> <p>Start-up grant for start-up entrepreneurs who created their company within the previous 24 months. The start-up grant aims to support the creation of enterprises that have a lot of development potential, and thereby expand regional entrepreneurship and the number of exporters (EAS).</p>				

<sup>89</sup> Kredex: <https://kredex.ee/en/who-we-are/smartcap>

<sup>90</sup> Estban: <http://www.estban.ee/about>

## Migratory pathways for start-ups and innovative entrepreneurs in the EU

Measure	Brief description of the measure	Are the attraction measures <b>campaign-like or permanent</b> measures?	Who implements the measure? (state, private sector, in cooperation etc)	Applies to:	
				TCNs only	General
<b>Co-working and dedicated spaces (facilities for shared use of start-ups/businesses)</b>	<p>There are various co-working and dedicated work spaces in Estonia. Most of them are situated either in Tallinn or Tartu, but there are co-working spaces also in Pärnu, Kuressaare etc. For example in Tallinn Lift99 hosts some of the highest quality event series and is the go-to place for founders to maintain deep engagement with the local (and international) tech community.<sup>91</sup> The Startup Incubator, a business growth programme of Tallinn Science Park Tehnopol for tech startups, is offering an opportunity to use the high quality office and other well-equipped areas.<sup>92</sup></p> <p>In Tartu the sTARTUp HUB is a business and community centre and co-working space at Tartu Town Hall Square for teams, start-ups and freelancers.<sup>93</sup> In Pärnu the ForwardSpace is a co-working space, which offers for start-ups and freelancers office space and an inspirational work environment.<sup>94</sup></p>	permanent	private	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Access to incubation/accelerator support programmes</b>	<p>There are various accelerators and incubation programmes in Estonia which help to improve products or services and provide expert counselling meant for different stages of the start-up.<sup>95</sup></p> <p>Currently if a start-up has been accepted to either Startup Wise Guys or BuildIt accelerators, there is no need to apply for an assessment for the start-up from the expert Committee before applying for a visa or a residence permit.</p> <p>One of the oldest accelerators is Startup Wise Guys<sup>96</sup>, which offers a 3 month long on-site mentors driven program taking place in Tallinn, Riga or Vilnius. Currently there are accelerator programs in the fields of fintech and software development.</p> <p>Buildit is an accelerator that supports hardware and IoT start-ups in turning an idea into a tangible, market-worthy product. There are many other accelerators with specific</p>			<input type="checkbox"/>	<input checked="" type="checkbox"/>

<sup>91</sup> Lift99 webpage: <https://www.lift99.co/>

<sup>92</sup> Tehnopol Startup Incubator webpage: <https://www.startupincubator.ee/en/co-working-hub/>

<sup>93</sup> Startup Hub webpage: <https://startuphub.ee/>

<sup>94</sup> ForwardSpace webpage: <https://www.forwardspace.ee/>

<sup>95</sup> Delfi ÄriLeht, Kust leida idufirma arendamiseks tuge ja rahastust? 27.03.2019, <https://arileht.delfi.ee/news/rahatarkus/kust-leida-idufirma-arendamiseks-tuge-ja-rahastust?id=85719247>

<sup>96</sup> Startup Wise Guys: <https://startupwiseguys.com/about/>

## Migratory pathways for start-ups and innovative entrepreneurs in the EU

Measure	Brief description of the measure	Are the attraction measures <b>campaign-like or permanent</b> measures?	Who implements the measure? (state, private sector, in cooperation etc)	Applies to:	
				TCNs only	General
	<p>focus, e.g. ClimateLaunchpad Estonia, which expects greentech start-ups, Elevator Startups, which is a 6 months programme for tech-based creative startups etc.</p> <p>In addition to accelerators, there are various pre-incubators and incubators in Estonia which offer longer term assistance and mentoring. The most well-known incubator in Estonia is Tehnopol Startup Incubator, which is a business growth programme meant for ICT, green and health technology startups. Startup Incubator offers efficient mentoring programme, relevant training and a co-working hub.<sup>97</sup> Tallinn Creative Incubator offers a custom 24-month development program for designers and creative tech start-ups.<sup>98</sup> The European Space Agency's Estonian business incubator assists start-ups related to the fast-developing space sector. Innovative start-ups whose business idea involves application of space technology on Earth or in space are eligible to apply for the 50,000-euro development grant.<sup>99</sup></p> <p>Additional information on relevant accelerators and incubators in Estonia is available on the homepage of Startup Estonia.<sup>100</sup></p>				
<b>Tax incentives</b> (benefits, reductions, exemptions, etc.)	There are no specific incentives for start-ups. For businesses in general a positive incentive is that there is a 0% corporate income tax on reinvested profits.	permanent	state	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Consultation services/ facilitators</b> help in networking/accessing networks	<p>One aim of Startup Estonia is to strengthen the Estonian start-up ecosystem – uniting and building the community through different events and activities, creating and executing unified marketing and branding strategies.</p> <p>Global Founders in Estonia is a meetup series for all global start-up founders in Estonia and the local start-up community to meet, exchange ideas and learn from each other.</p> <p>The county development centres offer free counselling for start-up and operating companies, non-profit associations and foundations.</p>			<input type="checkbox"/>	<input checked="" type="checkbox"/>

<sup>97</sup> Startup Incubator: <https://www.startupincubator.ee/en/>

<sup>98</sup> Tallinn Creative Incubator: <https://inkubaator.tallinn.ee/>

<sup>99</sup> Tallinn Creative Incubator: <https://inkubaator.tallinn.ee/>

<sup>100</sup> Startup Estonia webpage: <https://www.startupestonia.ee/startup-ecosystem>

## Migratory pathways for start-ups and innovative entrepreneurs in the EU

Measure	Brief description of the measure	Are the attraction measures <b>campaign-like or permanent</b> measures?	Who implements the measure? (state, private sector, in cooperation etc)	Applies to:	
				TCNs only	General
	For founders who have established a company in Estonia and wish to employ TCNs the International House and the migration advisors who work in the PBGB can provide assistance.				
<b>Training programmes for start-ups</b>	<p>One aim of Startup Estonia is to carry out training programs for start-ups in areas they currently lack certain knowledge of that keeps them from achieving their (international) business goals. Startup Estonia provides financing for the trainings.</p> <p>The training programs are also offered by incubator and accelerator programmes (more information in Access to incubation/accelerator support programmes) For example a one year training programme Alpine House is offered by Superangel, which is a location-independent coaching program designed to take your startup to the next financing round or next major milestone.<sup>101</sup></p> <p>In 2018 there were 501 start-up related events held in Estonia. The biggest events are Latitude59 and sSTARTUP Day.</p>		Private sector	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Financial support to cover administrative and/or staff costs</b>	N/A			<input type="checkbox"/>	<input type="checkbox"/>
<b>Other special incentives</b> <i>Please add new rows as applicable</i>					
<b>E-residency</b>	The programme of e-Residency, a government-issued digital identity and status, enables foreign nationals to establish and conduct an EU business in Estonia regardless of their physical location. The digital ID-card can be used in online environments for personal identification and digital signing. It enables foreign nationals to establish and manage a business with a base in Estonia and thus in the EU regardless of their physical location.	Permanent	state	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<sup>101</sup> Superangel: <https://www.superangel.io/alpine-house>

## Migratory pathways for start-ups and innovative entrepreneurs in the EU

Measure	Brief description of the measure	Are the attraction measures <b>campaign-like or permanent</b> measures?	Who implements the measure? (state, private sector, in cooperation etc)	Applies to:	
				TCNs only	General
	However, digital ID-card is not equipped with a person´s photo and cannot be used as an identification document. Also it does not automatically give a right to reside in Estonia.				
<b>Standard legal documents</b>	Startup Estonia and Estonian Private Equity and Venture Capital Association (EstVCA) promote industry-standard legal documents in Estonia so start-ups and investors can focus on company and deal specific matters. These documents are made freely available in the hope that they will help to educate the Estonian start-up community, speed up foundation, team-building and early stage investment process, and lower the legal costs. These versions of the documents were published in June 2017. <sup>102</sup>	Permanent	Startup Estonia, EstVCA	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Foreign Recruitment Grant</b>	Foreign recruitment grant aims to support employers in relation to costs of foreign recruitment (both when recruiting from the EU as well as from third countries). The size of the grant is 2,000 per ICT specialist who has arrived from abroad to work in Estonia. <sup>103</sup>	Campaign-like	State/Work in Estonia	<input checked="" type="checkbox"/>	

<sup>102</sup> Startup Estonia webpage: <https://www.startupestonia.ee/resources>

<sup>103</sup> Enterprise Estonia webpage: [www.eas.ee/teenus/valisvarbamise-toetus](http://www.eas.ee/teenus/valisvarbamise-toetus)

**Q19.** Are there any measures to encourage and foster innovative entrepreneurship and start-ups for third-country nationals **already present** in the (Member) State? (e.g. in the context of integration measures)

Most of the previous initiatives aimed at attracting start-ups in Estonia apply to TCNs who are already present in the country. Various support measures for companies established in Estonia are offered by Enterprise Estonia.<sup>104</sup> The measures are not targeted for third-country nationals, but available to everybody.

**Q20a.** Does your (Member) State carry out **promotional activities and dissemination of information** targeted to start-up founders and innovative entrepreneurs?

Yes. *If yes, please explain/elaborate, specifying which actors are responsible (and whether it is a public or private actor) giving examples:*

*If yes, please specify if the promotional activities are carried out in your (Member) States or abroad:*

There are promotional activities and dissemination of information carried out in Estonia as well as abroad. Startup Estonia together with e-residence programme is carrying out promotional activities in Estonian foreign representations. Startup Estonia is doing roadshows, supported by social media campaigns to countries perceived to have high potential for relocation of start-up founding teams, and prospective talent to work for Estonian start-ups. In 2018 Startup Estonia visited altogether 10 countries (Japan, Turkey, Russia, Georgia, Uzbekistan, Azerbaijan, Belarus, Ukraine, Moldova, Serbia).

At the same time Startup Estonia does online marketing campaigns, content marketing through blogs, podcasts, webinars, interviews etc.

Work in Estonia does targeting campaigns to recruit TCN workers to work in Estonian companies including start-ups.

No.

**Q20b.** Does your (Member) State aim to create a national / regional **'brand'** (e.g. visual image, perception, etc.) of the start-up scheme?

Yes. Please explain:

Startup Estonia can be considered a brand name that is used in communications about start-up scheme in Estonia. Startup Estonia webpage offers information about start-up visa and Estonian start-up ecosystem, it also hosts the start-up database as well as provides information on relevant events. Start-up scheme is often branded together with the e-residency programme, which are both part of the bigger e-Estonia brand.

There is a dedicated webpage (**brand.estonia.ee**) for materials introducing Estonia as a brand. There is e-Estonia Briefing Centre to provide information on Estonian digital society and inspire global policy makers, political leaders, corporate executives, investors and international media with the success story of e-Estonia and build links to leading IT-service providers.<sup>105</sup>

When talking about Estonian start-up ecosystem, the hashtag #estonianmafia is used.

No.

**Q20c.** Have there been any **evaluations of the effectiveness** of promotional activities in Q19a. carried out?

Yes. Please explain and by whom, provide qualitative evidence:

No.

There have not been evaluations of the effectiveness of promotional activities, but in exactly 2 years since the launch of the start-up scheme, 1108 applications from companies have been submitted for the Startup status. Since the beginning of the programme there have been 931 people altogether who have relocated already or granted the right to do so. When in 2017 167 employees and 107 founders relocated to Estonia then in 2018 the numbers were significantly larger - 483 employees and 174 founders.<sup>106</sup>

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<sup>104</sup> Enterprise Estonia webpage: <https://www.eas.ee/?lang=en>

<sup>105</sup> E-estonia webpage: <https://e-estonia.com/>

<sup>106</sup> Startup Estonia webpage: <https://www.startupestonia.ee/blog/two-year-anniversary-of-the-estonian-startup-visa>

## Migratory pathways for start-ups and innovative entrepreneurs in the EU

**Q21.** Based on existing national sources (evaluation reports, media reports, etc.), what are the **factors affecting the attraction of start-up founders/employees** in your (Member) State – including both positive factors and obstacles? Please select all relevant boxes.

- Hubs and locations for start-ups (e.g. cities). If yes, please elaborate:
- Culture. If yes, please elaborate:
- Socio-economic factors (e.g. living costs). If yes, please elaborate:
- Other (please specify):

According to a start-up founder's survey held in 2018 the main reasons highlighted why the founders had chosen Estonia were: 1) ease of setting up business; 2) digital services; 3) clarity of legal system; 4) low cost of living; 5) strong start-up culture; 6) quality of life.<sup>107</sup>

In another study the results showed that the ease of doing business and ecosystem culture were most often cited as chief reasons to consider Estonia as a start-up destination over others. The importance of the local market was chosen least often, an important consideration for Estonia as its local market is small in comparison to other European markets. This finding suggests that this aspect is not a considerable barrier for foreign founders to come to Estonia. Founders chose Estonia due to the Startup Visa (60%), Estonia's EU membership (55%) and the country's digital infrastructure (45%). Other deciding factors that were mentioned in the short answer section indicated that the country's taxation policy was attractive, as was the country's liveability.<sup>108</sup>

**Q22a.** What are the main **challenges** in attracting start-ups and innovative entrepreneurs from third countries in your (Member) State? For each challenge mentioned, please describe a) for whom it is a challenge (policy-maker, organisation, other stakeholders), b) why it is considered a challenge and c) what is the source of the statement – e.g. based on input from experts, surveys, evaluation reports or from other sources (please indicate which ones).

According to Startup Estonia one of the challenges for the country is that Estonia is **small country** and not so well known.

As there are thorough requirements for opening **bank accounts** in order to prevent money laundering and crimes, the start-up founders have come across with difficulties opening bank accounts. The banks need to follow the Know-Your-Customer principle. According to the Money Laundering and Terrorist Financing Prevention Act and other legislation established in the European Union, the credit institutions, operating in Estonia, are obliged to establish the identity of their customers. Likewise, they are obliged to collect and examine the data of the customers and update these on a regular basis. Opening bank accounts is therefore expensive for the TCN and time consuming for the bank.

**Difficulties in opening bank** accounts was also mentioned in the survey "Estonia as a service". The issue has become more evident among founders on a visa rather than with a temporary residence permit. Main issues they are facing is to provide proof of their businesses involvement with Estonia and secondly compliance with know your customer and anti-money laundering.<sup>109</sup>

Other challenges mentioned were that the **rental apartments** availability is limited for non-natives and that it is hard to find general practitioners.

**Q22b.** What are the **good practices** identified in attracting start-ups and innovative entrepreneurs from third countries in your (Member) State? For each good practice mentioned, please describe a) for whom it is a good practice (policy-maker, organisation, other stakeholders), b) why it is considered a good practice and c) c) what is the source of the statement – e.g. based on input from experts, surveys, evaluation reports or from other sources (please indicate which ones).

The overall best practice is good branding of the Startup scheme and other e-solutions like **e-residency**. Various parties (private sectors as well as the state) contribute to **promoting** the Startup visa and Estonia as a start-up destination.

Also the state has taken steps to ease some of the bottlenecks foreseen by start-up founders. There was an **amendment** implemented in the Commercial Code according to which as of 01.01.2019 in order to

<sup>107</sup> Brand manual, Stratup Estonia välisettevõtjate teekonna kaardistuse uuring 2018

<sup>108</sup> Startup Estonia, ESTAAS, Estonia as a Service, 2018: <https://media.voog.com/0000/0037/5345/files/ESTaas.pdf>

<sup>109</sup> Startup Estonia, ESTAAS, Estonia as a Service, 2018: <https://media.voog.com/0000/0037/5345/files/ESTaas.pdf>



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make the monetary contributions to a private limited company or public limited company, the founders shall open a payment account with a credit institution or payment institution founded in a state which is a Contracting Party to the EEA Agreement or with a branch of such credit institution or payment institution opened in a state which is a Contracting Party to the EEA Agreement, which may be disposed of in the name of the company after entry of the company in the commercial register. Before the amendment the bank account had to be open in an Estonian credit institution.

New fintechs as Transferwise and Holvi offer **alternative money transferring** services and therefore provide alternatives for opening bank accounts in Estonia.<sup>110</sup>

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<sup>110</sup> Interview with an expert from Startup Estonia

## Section 5: Renewal of residence permits/visas and retention measures for start-ups and innovative entrepreneurs

*This section aims at exploring the possibilities for renewal of residence permits/visas granted to start-up founders and innovative entrepreneurs as well as retention measures. The section should be answered by all (Member) States. In case there is no specific start-up visa/residence permit in your (Member) State, please answer with reference to the schemes/visas/permits TCN start-up founders and innovative entrepreneurs can apply for.*

**Q23a.** Is it possible to **renew** the start-up visa/residence permit?

Yes. Please describe: A temporary residence permit may be extended if the conditions of the extension of the residence permit are met and there is no basis for refusal to extend the residence permit. If a TCN alien has applied for the extension of a residence permit, for a new temporary residence permit or for a long-term resident's residence permit during the period of validity of the residence permit, his or her stay in Estonia is deemed legal during the review of his or her application. It is also possible to extend the long-stay visa.

No

**Q23b.** If yes, what is the renewal period and are the following renewal options possible:

a time limited extension to a visa/residence permit. Please describe:

According to the Aliens Act the temporary residence permit may be extended for up to **ten years** at a time. Upon determining the period of validity of the temporary residence permit to be extended, the proof of the facts forming the basis for the extension of a residence permit or proof of other facts relevant to the matter and the possibility of change during the period of validity of the residence permit shall be taken account of.

The period of stay determined by a long-stay visa shall be extended for engagement in start-up enterprise, provided that the whole period of stay of the alien with a long-stay visa is no longer than 548 days within 730 consecutive days.<sup>111</sup>

a permanent residence. Please describe:

If a TCN has resided in Estonia on a basis of a residence permit for at least last five year, he or she may apply for the permanent residence permit if the relevant conditions are met.

**Q23c.** What are the **main requirements for renewal** of an initial start-up visa/residence permit?

The requirements for the extension of a temporary residence permit shall be met for the extension of the temporary residence permit on any basis. The conditions of the issue of a temporary residence permit must be continuously met for the extension of a temporary residence permit unless otherwise provided in Aliens Act. There is no need to submit a new application to the expert Committee unless the PBGB finds it necessary when processing an application for renewal. Additionally if a temporary residence permit for employment is being renewed, the TCN has to demonstrate knowledge of Estonian language at least on the level A2.

**Q23d.** Is the actual establishment of the business checked by the responsible authorities when deciding on the extension of the residence permit?

The actual establishment of the business is necessary when renewing the residence permit. Only in case a start-up founder wishes to extend his or her long-term visa, the actual establishment of the business is not necessary. The PBGB checks the background of the applicant, the establishment of the business and if there is actual business activity.<sup>112</sup>

**Q23e.** What are the procedures foreseen for TCNs with start-up visas/residence permits if:

- Their business ceases being a 'start-up' (e.g. they manage to turn their company into a successful business – *this may be defined differently in different (Member) States*). Please elaborate, explaining after what period and under what conditions the business is no longer considered as a 'start-up':

<sup>111</sup> Aliens Act Article 67

<sup>112</sup> Interview with an expert from PBGB

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The start-up Committee can be consulted again in order to receive an expert opinion on whether the start-up still qualifies as a start-up or not. In Estonia start-up is considered a start-up for up to ten years.<sup>113</sup> If the business ceases being a start-up, the TCN should apply for a new residence permit on a different ground. One possibility is to apply for a residence permit for enterprise on general grounds. Also it is possible to apply for a temporary residence permit issued for settling permanently in Estonia in case the TCN has resided in Estonia for at least three years during five consecutive years, the TCN has adapted well and his or her current activities have been so far in compliance with the purpose and conditions of the issue of a residence permit thereto.<sup>114</sup>

- Their start-up fails. In this case, please clarify what would happen to the start-up founder and whether there are other visas/residence permits available for the TCNs to remain in your MS:  
In case the start-up fails, the residence permit will be revoked. The TCN may apply for a residence permit on other grounds, e.g. for employment, studying, enterprise or for settling permanently in Estonia. In case the TCN does not qualify for any other residence permit, he or she has to leave the country.
- Their business plan changes after approval:  
In this case a new application should be submitted to the expert Committee for assessment if the start-up still qualifies as one. In case the business is still considered a start-up, the validity of temporary residence permit should not be affected.

**Q24a.** Are the following **retention measures** in place for the start-up founders and innovative entrepreneurs?

Simplified renewal process

Possibility to apply for a renewal without the need to apply for a new assessment from the expert Committee.

Tax relief schemes

Others. Please elaborate:

Start-up founders and employees are entitled to bring along their family members and there are special services for spouses, e.g. international spouse career counselling.<sup>115</sup> At the same time it would be possible to apply for a residence permit on other grounds. For example it is possible to apply for a temporary residence permit issued for settling permanently in Estonia. The purpose of the temporary residence permit issued for settling in Estonia is to enable a TCN, who has settled into Estonia on the basis of a temporary residence permit and whose residence in Estonia is in accordance with public interests, to settle in Estonia.

**Q24b.** What are the main **challenges** regarding the retention of start-ups and innovative entrepreneurs in your MS? *For each challenge mentioned, please describe a) for whom it is a challenge (policy-maker, organisation, other stakeholders), b) why it is considered a challenge and c) what is the source of the statement – e.g. based on input from experts, surveys, evaluation reports or from other sources (please indicate which ones).*

- According to the Brand Manual survey conducted in August-September 2018 among start-up founders one of the challenges for growing business is **finding qualified staff**, especially in coding, marketing and sales.
- **Access to seed capital and growth funding.** The Estonian financing ecosystem is not capable of funding unicorns, nor viable start-ups in very niche industries, as Estonia doesn't itself have niche markets as reference.<sup>116</sup>

<sup>113</sup> Startup Estonia

<sup>114</sup> Aliens Act § 210<sup>2</sup>

<sup>115</sup> Work in Estonia webpage: <https://www.workinestonia.com/working-in-estonia/international-spouse-career-counselling/>

<sup>116</sup> Brand manual, Stratup Estonia välisettevõtjate teekonna kaardistuse uuring 2018

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- Estonian investors mention that currently, Estonia **lacks capacity** for companies to scale beyond a certain size – as they will be challenged with finding talent, expertise and a market locally. This has led many Estonian firms to develop an international mindset and grow abroad early, a tendency that has led Estonian firms to be known internationally. Estonian investors appreciate the tightly knit network that allows them to easily do due diligence on local start-up teams. However, international founders to Estonia are concerned that local Estonian investors are not interested in their ventures as they lack this shared background.<sup>117</sup>
- **Lack of qualified labour and high labour taxes.** The fact there are no extra benefits for early stage start-ups as a whole or foreign founders, makes employing and paying salaries expensive. When overall the Estonian tax system is seen very competitive, the fact some other states having tax exemptions is seen as a deficit.<sup>118</sup>

**Q24c.** What are the **good practices** identified with regard to retention of start-ups and innovative entrepreneurs in your (Member) State? *For each good practice mentioned, please describe a) for whom it is a good practice (policy-maker, organisation, other stakeholders), b) why it is considered a good practice and c) what is the source of the statement – e.g. based on input from experts, surveys, evaluation reports or from other sources (please indicate which ones).*

According to the survey held in 2018, the start-ups were satisfied with the **incubators, hackathons, mentoring and trainings** held in Estonia.<sup>119</sup>

Start-up Estonia mentioned as good practices that the general **quality of life** and the environment are good in Estonia.

The Estonian **start-up ecosystem in general is well functioning, supportive and open.** The start-up ecosystem was considered supportive of sharing and of helping one another. Many cited the close “community” and relative ease of building a network across a small ecosystem. Continually, the ecosystem’s “people” were cited as the most positive strength of the start-up community, and the events helped provide considerable value and inspiration.<sup>120</sup>

**Q25a.** Has any **misuse of the migratory pathway** for start-ups and innovative entrepreneurs has been detected in your (Member) State (for example, if someone applies for a start-up/entrepreneur visa to gain access to your (Member) State’s territory without the actual intention of founding a start-up/business)?

Yes. Please elaborate and answer Q24b.:

No

**Q25b.** Do you have any information or statistics on the **misuse of migratory pathways**<sup>121</sup> for start-ups and innovative entrepreneurs in your (Member\_ State?

No.

**Q25c.** What is the **survival rate** of start-ups launched by TCNs in your (Member) State? *Survival rate refers to the number of start-ups that manage to become profitable businesses (see definition).* Please explain.

There is no statistics on the survival rate of start-ups launched by TCNs in Estonia.

**Q25d.** Have there been **any evaluation or studies** of your national schemes on start-ups or other innovative entrepreneurs? Please summarise the main findings.

<sup>117</sup> Startup Estonia, ESTAAS, Estonia as a Service, 2018: <https://media.voog.com/0000/0037/5345/files/ESTaas.pdf>

<sup>118</sup> Startup Estonia, ESTAAS, Estonia as a Service, 2018: <https://media.voog.com/0000/0037/5345/files/ESTaas.pdf>

<sup>119</sup> Civitta Eesti AS, Eesti startup ökosüsteemi osaliste rahulolu uuring, 2018: [https://media.voog.com/0000/0037/5345/files/SuE\\_rahulolu-uuring\\_FINALraport.pdf](https://media.voog.com/0000/0037/5345/files/SuE_rahulolu-uuring_FINALraport.pdf)

<sup>120</sup> Startup Estonia, ESTAAS, Estonia as a Service, 2018: <https://media.voog.com/0000/0037/5345/files/ESTaas.pdf>

<sup>121</sup> Misuse of migratory pathways refers solely to the cases in which someone has used the start-up visa/residence permit channel but does not intend to really set up a business and does not refer to potential illegal practices start-ups may be involved in as part of their business.

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According to the Startup Genome report 2019<sup>122</sup> Estonian ecosystem is in activation phase and is considered as TOP 10 Global Ecosystem Affordable Talent. The report highlighted as sub-sector strengths cybersecurity, which has been a governmental focus area since 2017, and Fintech as Estonia's banking sector assets are valued around \$29 billion. Estonian Fintech start-ups employ 1100 people locally and makeup 29% of all jobs created by Estonian start-ups. Finance Estonia sparks new financial companies — creating jobs, developing the capital market, and offering finance. Transferwise achieved Unicorn status after raising \$280 million in 2017 followed by a \$73 million debt-financing round in 2018. According to the report start-ups should be moved to Estonia as it is easy to operate. Estonia is a global pioneer in digital government services, to the benefit of entrepreneurs.

The StartupBlink Ecosystem Rankings report 2019 has placed Estonia on the 13<sup>th</sup> position, which is higher than other Baltic countries thanks to boosts from several high profile start-ups and by creative government efforts such as E-residency. At the city level, there is a slight loss of momentum; Tallinn has fallen from the 50<sup>th</sup> rank in 2017 to 83<sup>rd</sup> in 2019. Tartu has also decreased from 182<sup>nd</sup> to 226<sup>th</sup>. The report highlights Estonia's outstanding marketing of its ecosystem, but also points out the risk – there might be a gap between marketing and the Estonia's ecosystem. Initiatives such as the e-residency and nomad visa can become a gimmick, attracting lifestyle businesses to Estonia instead of making it a serious hub for scale start-ups that are probably not interested in these programs and need access to capital and potential clients more than anything else. Estonia also has to make sure it transitions from being a development center where companies from higher ranking countries might come to develop start-ups (e.g. Skype, Playtech), and focus on building its own locally sourced start-ups.

There was a satisfactory survey carried out among start-up support organisations and start-ups. It followed that in general Startup Estonia is known, but there is lack of knowledge on exactly what services they are offering. The start-ups wished to have more help from Startup Estonia in entering international markets and in involving international mentors.<sup>123</sup>

According to NimbleFins latest economic data study, Estonia is 5<sup>th</sup> best country for start-ups in Europe. The country shines in term of both Labour Force Quality and Cost of Doing Business, ranking 2<sup>nd</sup> in these categories out of 50 European nations. The study by NimbleFins covers the general economic health, cost of doing business, business environment and labor force quality of 50 European nations. To arrive at these results, NimbleFins analysed current data from several reputable sources, such as the World Bank, OECD, UNESCO and the World Economic Forum.<sup>124</sup>

In February and March of 2018, a research project was undertaken to identify a number of the strengths and weaknesses of the existing Estonian startup landscape. This work was conducted with an aim of highlighting Estonia's unique value offering for early stage entrepreneurs.

The Startup Estonia Ecosystem survey examined the strength, involvement and value of the start-up community. For those that are currently active in the Estonian start-up scene, evaluations were seen to be broadly supportive. Responses from both the interviews and the survey indicated that the start-up ecosystem was supportive of sharing and of helping one another. Many cited the close "community" and relative ease of building a network across a small ecosystem. Continually, the ecosystem's "people" were cited as the most positive strength of the start-up community, and the events helped provide considerable value and inspiration.<sup>125</sup>

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<sup>122</sup> Startup Genome, Global Startup Ecosystem report 2019: <https://startupgenome.com/reports/global-startup-ecosystem-report-2019>

<sup>123</sup> Civitta Eesti AS, Eesti startup ökosüsteemi osaliste rahulolu uuring, 2018: [https://media.vooq.com/0000/0037/5345/files/SuE\\_rahulolu-uuring\\_FINALraport.pdf](https://media.vooq.com/0000/0037/5345/files/SuE_rahulolu-uuring_FINALraport.pdf)

<sup>124</sup> Nimblefins, Best Countries in Europe for Startups: <https://www.nimblefins.co.uk/best-countries-europe-startups>

<sup>125</sup> Startup Estonia, ESTAAS, Estonia as a Service, 2018: <https://media.vooq.com/0000/0037/5345/files/ESTaas.pdf>

## Annex 1 National statistics

Please fill in the attached excel sheet with the respective statistics for your (Member) State – provided in a separate Excel file. The Statistical Annex consists of the following:

Annex 1.1. Applications and decisions for visas/residence permits for start-ups and innovative entrepreneurs and start-up employees (where applicable)

Annex 1.2. Status changes

Annex 1.3. Renewals

Annex 1.4. Main sectors and industries of start-ups launched by TCNs in your (Member) State

Annex 1.5. Survival rates after 3 and 5 years after launch and other success measures

Annex 1.6. Other data



Start-up Statistical  
annex.xlsx

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