

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

## Common Template for EMN Study 2019

Final version: 4<sup>th</sup> March 2019

### 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.

<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

### 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 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?

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<sup>4</sup> Available at:

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

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- 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?

## 6 RELEVANT SOURCES AND LITERATURE

### **EMN Studies and other sources**

- 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)
- EMN (2017) Briefing Paper: Attracting and retaining foreign startup founders, EMN Estonia. Accessible: <http://emn.ee/wp-content/uploads/2016/10/nr12.pdf>
- EMN (2015): Changes in immigration status and purpose of stay: an overview of EU Member States approaches. Accessible: [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/networks/european\\_migration\\_network/reports/docs/emn-studies/emn-studies-00.emn\\_study\\_on\\_the\\_change\\_of\\_status\\_final.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/networks/european_migration_network/reports/docs/emn-studies/emn-studies-00.emn_study_on_the_change_of_status_final.pdf)
- EMN (2014): Admitting third country nationals for business purposes. Accessible: [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/networks/european\\_migration\\_network/reports/docs/emn-studies/emn\\_study\\_admitting\\_third\\_country\\_nationals\\_for\\_business\\_purposes\\_synthesis\\_report\\_04\\_may2015.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/networks/european_migration_network/reports/docs/emn-studies/emn_study_admitting_third_country_nationals_for_business_purposes_synthesis_report_04_may2015.pdf)
- EMN (2013): Attracting Highly Qualified and Qualified Third-Country Nationals. Accessible: [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/networks/european\\_migration\\_network/reports/docs/emn-studies/attracting/emnsr\\_attractinghqworkers\\_finalversion\\_23oct2013\\_publication.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/networks/european_migration_network/reports/docs/emn-studies/attracting/emnsr_attractinghqworkers_finalversion_23oct2013_publication.pdf)

### **EMN AHQs**

- Start-up policies for third-country nationals (part 1) – requested by EE EMN NCP on 12th June 2017;
- Start-up policies for third-country nationals (part 2) – requested by EE EMN NCP on 12th June 2017;
- Ad-Hoc Query on the impact of start-up policies for third country nationals – requested by ES EMN NCP on 15th of December 2015

### **Other studies and reports**

- European Commission (2018), European Innovation Scoreboard, Accessible: [https://ec.europa.eu/growth/content/european-innovation-scoreboard-2018-europe-must-deepen-its-innovation-edge\\_en](https://ec.europa.eu/growth/content/european-innovation-scoreboard-2018-europe-must-deepen-its-innovation-edge_en)
- ICF report commissioned by European Commission (2016a), 'Admission of migrant entrepreneurs'. Accessible: [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/legal-migration-policy/volume\\_ii\\_-\\_admission\\_of\\_migrant\\_entrepreneurs\\_en.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/legal-migration-policy/volume_ii_-_admission_of_migrant_entrepreneurs_en.pdf)
- European Commission (2016b), Communication from the Commission of 6 April 2016, accessible: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52016DC0197&rid=1>
- European Commission (2016c). Annexes to the Impact Assessment Accompanying the document Proposal for a Directive of the European Parliament and the Council on the conditions of entry and residence of third-country nationals for the purposes of highly skilled employment. Accessible: [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-migration/proposal-implementation-package/docs/20160607/directive\\_conditions\\_entry\\_residence\\_third-country\\_nationals\\_highly\\_skilled\\_employment\\_impact\\_assessment\\_part\\_6\\_en.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-migration/proposal-implementation-package/docs/20160607/directive_conditions_entry_residence_third-country_nationals_highly_skilled_employment_impact_assessment_part_6_en.pdf)
- European Commission (2015). Upgrading the Single Market: more opportunities for people and business. Communication of 28 October 2015. Accessible at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2015%3A550%3AFIN>
- Competitiveness Council, in its Conclusions adopted on 27 May 2016 (9510/16). Accessible: <http://data.consilium.europa.eu/doc/document/ST-9510-2016-INIT/en/pdf>

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- OECD and European Commission (2016). Recruiting Immigrant Workers: Europe 2016. Accessible at: <http://www.oecd.org/migration/recruiting-immigrant-workers-europe-2016-9789264257290-en.htm>

## 7 STATISTICS TO BE COLLECTED

### National level

- Number of applications submitted to the relevant authority/committee for assessment since 2014
- Number of start-ups that have been recognised by the relevant authority/committee since 2014
- Recognition rate for the applications submitted to the relevant authority/committee
- Number of applications for start-up related visas lodged each year since 2014
- Number of applications for start-up related residence permits lodged each year since 2014
- Number of positive visa applications since 2014
- Number of positive residence permit applications since 2014
- Acceptance rate for start-up related visas and residence permits lodged each year since 2014
- Main countries of origin of applicants to the relevant schemes
- Main sectors in which persons granted start-up/innovative entrepreneurship visas/permits are active
- Number of renewals of start-up visas and residence permits since 2014
- Survival rate of start-ups after 3 and 5 years of starting the company
- Success rates of start-ups (e.g. jobs created and investment generated)

## 8 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;

<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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**'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)

**'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)

## 9 ADVISORY GROUP

An “Advisory Group” (AG) has been established within the context of this Study for the purpose of providing support to EMN NCPs during the development of the specifications for the Study, as well as the drafting of the Synthesis Report. In addition to COM, and the EMN Service Provider (ICF and Odysseus), the members of the AG for the Study include EMN NCPs from EE, ES, FI, FR, LT, LU, LV, PL, SE and UK. EE NCP is the chair of the Advisory Group. EMN NCPs are thus invited to send any requests for clarification or further information on the Study to the following representatives of the AG:

- ★ COM: Magnus Ovilius [Magnus.OVILIUS@ec.europa.eu](mailto:Magnus.OVILIUS@ec.europa.eu); Marie Boscher [Marie.BOSCHER@ec.europa.eu](mailto:Marie.BOSCHER@ec.europa.eu)
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- ★ UK EMN NCP: Paul Casey [Paul.Casey@homeoffice.gov.uk](mailto:Paul.Casey@homeoffice.gov.uk)

## 10 TIMETABLE

The following timetable presents the key milestones in preparation of the Study:

Date	Action
12 <sup>th</sup> December 2018	1 <sup>st</sup> Advisory Group meeting
20 <sup>th</sup> December 2018	Circulation of <u>Version 1 of the Common Template</u> for the Study to COM and AG members
28 <sup>th</sup> January 2019	2 <sup>nd</sup> Advisory Group meeting
4 <sup>th</sup> February 2019	Circulation of the revised Common Template for the Study to COM and AG members
7 <sup>th</sup> February 2019	Deadline for comments on revised template from COM and AG members
12 <sup>th</sup> February 2019	Circulation of the <u>revised Common Template</u> for the Study to COM and EMN NCPs
19 <sup>th</sup> February 2019	Deadline for comments to the revised template for the Study from EMN NCPs
22 <sup>nd</sup> February 2019	Circulation of the final draft Common Template to EMN NCPs and COM
5 <sup>th</sup> March 2019	Finalisation of the Common Template and official <u>launch</u> of the Study
3 <sup>rd</sup> June 2019	<u>Submission of National Reports</u> to EMN Service Provider by EMN NCPs



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

Date	Action
15 <sup>th</sup> August 2019	Circulation of <u>Version 1 of the Synthesis Report</u> for the Study to COM and AG Members
10 <sup>th</sup> September 2019	Circulation of the <u>revised Synthesis Report</u> for the Study to COM, AG members and EMN NCPs
10 <sup>th</sup> October 2019	<u>Finalisation</u> of the Synthesis Report for the Study and of the National Reports for publication on the EMN website

## 11 TEMPLATE FOR NATIONAL CONTRIBUTIONS

The template provided below outlines the information that should be included in the National Contributions of EMN NCPs to this Study. The indicative number of pages to be covered by each section is provided in the guidance note. For National Contributions, the total number of pages should **not exceed 35-40 pages**, including the questions and excluding the Statistical Annex. A limit of **25-30 pages** will also apply to the Synthesis Report, in order to ensure that it remains concise and accessible.

## Common Template of EMN Study 2018

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

### National Contribution from (*Member*) State\*<sup>9</sup>

*Disclaimer: The following information has been provided primarily for the purpose of contributing to a Synthesis Report for this EMN Study. The EMN NCP has provided information that is, to the best of its 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 the EMN NCPs' (Member) State.*

### 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:*

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<sup>9</sup> Replace highlighted text with your **Member State** name here.

## 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:

Within the context of the reform program promoted by the Cypriot government, entrepreneurship and innovation are recognized as main pillars for achieving economic growth and prosperity. The Cypriot government has set as priority the creation of an efficient ecosystem that will effectively support entrepreneurial activity and facilitate the creation of synergies between Government – Academia –and Industry. In this framework, the Government adopted the policy Statement for the enhancement of the ecosystem, a comprehensive action plan, with an implementation horizon of up to 2020, for the integrated development of an entrepreneurial and innovation ecosystem in Cyprus. The Statement recognizes the need to take action in five priority areas one of those being the enhancement of Entrepreneurial Innovation and start ups.

**The National Policy Statement for the Enhancement of the Entrepreneurial Ecosystem in Cyprus**, approved by the Council of Ministers on the 14<sup>th</sup> December 2015, provides for targeted actions to be promoted under five Priority Axes: (a) Cultivating the entrepreneurial culture, (b) Improving the business environment, (c) Enhancing the entrepreneurial innovation, (d) Facilitating access to finance and (e) Improving access to markets.

Fostering start-ups and innovative entrepreneurship is included in the above mentioned National Policy Statement.

No

**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 a national priority. This reflects to the decision of the Government to develop a new R&D Governance System to meet the following basic requirements:**

- **Making the most of possible synergies between the public and private sectors and linking all stakeholders to the knowledge chain**
- **Strong political guidance and supervision**
- **Utilization of existing extensive experience and know-how**
- **Ensuring the necessary resources and capabilities for the functioning of the governance system**
- **Adoption of monitoring and evaluation mechanisms**

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:

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

No

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**Q3a.** What are the **requirements** for starting up a business (i.e. start-up) in your (Member) State? Please describe briefly<sup>10</sup>: An EU citizen is entitled to start his/her own business in the Republic of Cyprus (i.e. a sole trader acting under a registered Business Name). Therefore, there are no special requirements, for starting up a business in the Republic of Cyprus (as long as Member State or EEA citizens are concerned) apart from the case where participation in a specific start-up scheme (i.e. funding/benefit programme) sets certain criteria.

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

It is a two step procedure:

(A) Application for Name Approval

(B) After securing the name approval, the relevant documents for the registration of an entity must be submitted according to the legal form of the entity. Here is an example for the most common registration: a Private Limited Liability Company with Share Capital where the following documents must be certified by a registered advocate/lawyer in the Republic of Cyprus:

- Declaration form (HE1, an affidavit (sworn) statement of the lawyer and signature from the Registrar of the District Court);
- Form concerning the registered office address (HE2);
- Details regarding the directors and secretary (HE3);
- List of persons who consent to act as directors of the public company (HE5, in case of a public company);
- Original Memorandum and Articles of Association (by law must be written by an approved/registered lawyer);
- Affidavit of witness of signatures for electronic registration of a company (only applicable to online registration of a company)

Upon completion of the registration the "Certificate of Incorporation" is issued.

Please note that if the new entity to be registered is of the limited-liability-company category then the involvement of a lawyer is necessary in the procedure of establishing one.

**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:

- (a) (i) An application for name approval is examined within one week under normal procedure or 2-3 business days under accelerated procedure;
- (ii) Company registration is completed within ten (10) business days without acceleration fees or within 2-3 business days under the accelerated procedure from the date that the application was duly submitted;
- (b) The time required to set up a company in practice is not different than the one mentioned in point (a) above. It is worth noting that the time of completion of the registration of a company depends on the daily number of applications submitted for registration. It is important that efforts are made to ensure that the timeframe referred to in point (a) is complied with.

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

The application for (one, per name) name approval has a fee of €10,00 under normal procedure or €30,00 under the accelerated procedure

For the registration of a company the fee is €105,00, plus €60,00 for filling the accompanied documents (HE1, HE2, HE3), plus an optional €100,00 for accelerated procedure

<sup>10</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)

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Please note that the involvement of a lawyer is necessary in the procedure of establishing a new company, as the Memorandum and Articles of Association have to be prepared and signed by a - Cyprus BAR Association - licensed lawyer. Lawyer fees depend on the lawyer and may vary.

**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:

No evaluation has been made.

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

Yes. Please describe:

The start up and innovation ecosystem is still in infancy in Cyprus but it is growing. The Government's clear statement and its intention to boost entrepreneurship has produced concrete results and triggered the mobilization not only of public authorities but also of the private sector. A lot of stakeholders promote initiatives that strengthen the country's start up and entrepreneurial ecosystem. Indicatively, the operation of the two Centers of Excellence KIOS and RISE by the University of Cyprus and the Nicosia Municipality, the Entrepreneurship Center at the University of Cyprus, the Youth Organization's entrepreneurship programs, IDEA's Bank of Cyprus incubator, the ARIS Incubator ARIS of Deloitte and many other initiatives are building the business ecosystem of the country.

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.

No specific role has been assigned to the cities in creating and supporting entrepreneurial ecosystems and start-up hubs. In any case the city Municipalities recognizing the importance of start up hubs they implement actions aiming to the creation and support of entrepreneurial ecosystems and start-up hubs. As example the RISE centre of excellence is mentioned by the Nicosia Municipality. RISE is the first Research centre in Cyprus focusing on Interactive media, Smart systems and Emerging technologies aiming to become a centre of excellence empowering knowledge and technology transfer in the region. The main goals of RISE is to cultivate entrepreneurial and innovation culture and to support innovation and economic growth in Cyprus and to invest in capabilities that improve the RTDI.

**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>11</sup>.

Main sectors are Research, Innovation, Technology, Tourism, Electricity and Renewable Energy Sources and Oil and Gas.

<sup>11</sup> <https://ec.europa.eu/eurostat/documents/3859598/5902521/KS-RA-07-015-EN.PDF/dd5443f5-b886-40e4-920d-9df03590ff91?version=1.0>

## 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: In an effort to support entrepreneurship particularly in the start-up sector, the Cyprus Government, promoted the preparation of a National Plan to attract entrepreneurs from third countries for establishing / operating /developing a start-up with a high growth potential. The Council of Ministers, on Wednesday 15 February 2017, approved the Cyprus Plan for start-ups from third countries, the [CYPRUS "START-UP VISA"](#). The Scheme's goal was the creation of new jobs, the promotion of innovation and research, the development of the business ecosystem and, consequently, the economic development of the country.

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:

Yes, a special residence permit is in place to facilitate the immigration of TCN start-up founders. Please explain: The Cyprus Start-up Plan is not a legislative act, but a policy paper. To facilitate the immigration of start-ups/innovative entrepreneurs from third countries who fall under the aforementioned Cyprus Start-up Visa Plan, the single permit or a self-employment residence permit is used, depending on the position of the third country national within the business. In principle, the business founders are granted a self-employment residence permit and employees who fall under the single permit provisions are provided with a single permit. Information indicating that a residence permit was issued under the Cyprus Start-up Plan and the position of the TCN (founder or employee) is placed on fields "Type of permit" and "Remarks". For entering Cyprus prior to the issuing of the residence permit, an entry permit or a visa is granted to the interested third country nationals, after approval of the relevant application.

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:

**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: This falls within the general rationale for introducing a Start-up Plan. This means that businesses and third country nationals that fall under the Plan enjoy certain benefits provided for by the plan.

**Q7c.** If yes, when was the start-up scheme introduced? The Cyprus Start-up Plan was introduced in February 2017 for a 2-year pilot period. Currently the Plan is under revision

**Q7d.** If yes, what legal pathways were used by start-up founders before introducing a specific start-up scheme? Since 2006, Cyprus has been implementing a national scheme that provides accelerated and facilitated processes to businesses owned, by majority, to third country nationals. In these cases, company founders can be provided with a visitor's residence permit (without access to the labour market) in case they are not employed by their company. This is a scheme that could have been used for establishing a start-up business prior to the Cyprus Start-up Plan. Nevertheless, there is no data available on whether this scheme was actually used for such a purpose

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

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**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:

Yes, a special residence permit is in place to facilitate the immigration of start-up employees from third countries. Please explain: Please see answer to Q7a.

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: Please see answer to Q7b.

**Q8c.** If yes, when was the start-up scheme for employees introduced: Please see answer to Q7c

**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: During the 2-year pilot period, only a small number of residence permits were issued under the Cyprus Start-up Plan. In view of this, the Government is undergoing a review of the Plan, to make it more attractive

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: Please see answer to Q9a. So far, a number of meetings between the authorities involved have taken place.

No.

### 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]**

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**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>12</sup>, prior registration in the MS, etc)?

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

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

**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:
- Means of financing (e.g. bank statements). Please explain:
- Patents, trademarks, intellectual property. Please explain:
- Qualifications and diplomas of the start-up founder. Please explain:
- Evidence of registration in a national commerce register. Please explain:
- Others. Please explain:

**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:

**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:

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

- Online. Please explain:
- 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: After the approval of the start-up business, founders can enter Cyprus either by securing a visa by Cyprus' consular authorities abroad, or by securing an entry permit by the Civil Registry and Migration Department. No third country national can be admitted if she/he constitutes a threat to national security and/or public health. Furthermore, the following documents are required for the entry permit:

- Valid passport or other travel document with validity of at least two (2) years from the date of the submission of the application.
- Proof of company registration in Cyprus. Not necessary in case of self-employment.
- Proof of company tax payment (Levy). Not necessary in case of self-employment.
- Notification of Initial Approval issued by the Ministry of Finance, that has been issued no later than six (6) months prior to the date of application submission.
- In case of remunerated employment: Original contract of employment, with monthly gross salary of at least €850.
- In case of self-employment: Proof of possession of at least €10.000 yearly, for living expenses.

<sup>12</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)



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

- Original letter of guarantee issued by a bank or cooperative institution of Cyprus, of ten (10) year validity, for covering possible repatriation expenses.

Start-up employees. Please explain: After the approval of the start-up business, employees that are managers (C - level employees) can enter Cyprus either by securing a visa by Cyprus' consular authorities abroad, or by securing an entry permit by the Civil Registry and Migration Department. For support staff entry is possible only through securing an entry permit. No third country national can be admitted if she/he constitutes a threat to national security and/or public health. Furthermore, the following documents are required for the entry permit:

a. MANAGER:

- Valid passport or other travel document with validity of at least two (2) years from the date of the submission of the application.
- Notification of Initial Approval issued by the Ministry of Finance, that has been issued no later than six (6) months prior to the date of application submission.
- Original contract of employment, with monthly gross salary of at least €850.
- Original letter of guarantee issued by a bank or cooperative institution of Cyprus, of ten (10) year validity, for covering possible repatriation expenses.

b. SUPPORT STAFF

- Copy of valid passport or other travel document with validity of at least two (2) years from the date of the submission of the application.
- Copy of the employer's valid residence permit.
- Valid Approval of the Department of Labour that the employer is allowed to employ third country nationals.
- Original contract of employment certified and stamped by the Labour Department, duly stamped.
- Original letter of guarantee issued by a bank or cooperative institution of Cyprus, of ten (10) year validity, for covering possible repatriation expenses.

**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: After entering Cyprus, founders are required to submit certain documents to the Civil Registry and Migration Department. No third country national can be admitted if she/he constitutes a threat to national security and/or public health. An analytical list of documents required for the entry permit follows:

a. DOCUMENTS NECESSARY AFTER ARRIVAL VIA AN ENTRY PERMIT:

- Valid passport or other travel document page that shows the last entry in the Republic.
- Health Insurance Certificate.
- Proof of residence in Cyprus (e.g. Rental agreement).
- Employer's liability insurance.

b. REGISTRATION/ FIRST TEMPORARY RESIDENCE PERMIT (ENTRY WITH VISA)

- Valid passport or other travel document with validity of at least two (2) years from the date of the submission of the application.
- Proof of company registration in Cyprus. Not necessary in case of self-employment.
- Proof of company tax payment (Levy). Not necessary in case of self-employment.
- Notification of Initial Approval issued by the Ministry of Finance, that has been issued no later than one (1) month prior to the date of application submission.
- In case of remunerated employment: Original contract of employment, with monthly gross salary of at least €850.
- In case of self-employment: Proof of possession of at least €10.000 yearly, for living expenses (eg. Bank account statement).
- Employer's liability insurance.
- Health Insurance Certificate.
- Proof of residence in Cyprus (e.g. Rental agreement).

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

- Original letter of guarantee issued by a bank or cooperative institution of Cyprus, of ten (10) year validity, for covering possible repatriation expenses.

### c. CHANGE OF STATUS

- Copy of valid passport or other travel document with validity of at least two (2) years from the date of the submission of the application.
- Valid residence permit.
- Proof of company registration in Cyprus. Not necessary in case of self-employment.
- Proof of company tax payment (Levy). Not necessary in case of self-employment.
- Notification of Initial Approval issued by the Ministry of Finance, that has been issued no later than one (1) month prior to the date of application submission.
- In case of remunerated employment: Original contract of employment, with monthly gross salary of at least €850.
- In case of self-employment: Proof of possession of at least €10.000 yearly, for living expenses (eg. Bank account statement).
- Employer´s liability insurance.
- Health Insurance Certificate.
- Proof of residence in Cyprus (e.g. Rental agreement).
- Original letter of guarantee issued by a bank or cooperative institution of Cyprus, of ten (10) year validity, for covering possible repatriation expenses.
- Letter of approval for change of status.

### d. RENEWAL

- Copy of valid passport or other travel document with validity of at least three (3) months over the desired period of stay.
- Valid Notification of Initial Approval issued by the Ministry of Finance.
- In case of remunerated employment: Original contract of employment, with monthly gross salary of at least €850.
- In case of self-employment: Proof of possession of at least €10.000 yearly, for living expenses (eg. Bank account statement).
- Proof of residence in Cyprus (e.g. Rental agreement).
- Health Insurance Certificate.
- Proof of payment of social insurance contributions.
- Income Tax Clearance Certificate.
- Employer´s liability insurance.
- Company tax clearance certificate. Not necessary in case of self-employment.

Start-up employees. Please explain: No third country national can be admitted if she/he constitutes a threat to national security and/or public health. After entering Cyprus, employees are required to submit certain documents to the Civil Registry and Migration Department:

#### a. MANAGER

- DOCUMENTS NECESSARY AFTER ARRIVAL VIA AN ENTRY PERMIT:
  - Valid passport or other travel document page that shows the last entry in the Republic.
  - Health Insurance Certificate.
  - Proof of residence in Cyprus (e.g. Rental agreement).
  - Employer´s liability insurance.
- REGISTRATION/ FIRST TEMPORARY RESIDENCE PERMIT (ENTRY WITH VISA)
  - Valid passport or other travel document with validity of at least two (2) years from the date of the submission of the application.
  - Notification of Initial Approval issued by the Ministry of Finance, that has been issued no later than one (1) month prior to the date of application submission.
  - Original contract of employment, with monthly gross salary of at least €850.
  - Employer´s liability insurance.
  - Health Insurance Certificate.
  - Proof of residence in Cyprus (e.g. Rental agreement).

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- Original letter of guarantee issued by a bank or cooperative institution of Cyprus, of ten (10) year validity, for covering possible repatriation expenses. The amount depends on the country of origin.
- CHANGE OF STATUS
  - Valid passport or other travel document with validity of at least two (2) years from the date of the submission of the application.
  - Valid residence permit.
  - Notification of Initial Approval issued by the Ministry of Finance, that has been issued no later than one (1) month prior to the date of application submission.
  - Original contract of employment, with monthly gross salary of at least €850.
  - Employer´s liability insurance.
  - Health Insurance Certificate.
  - Proof of residence in Cyprus (e.g. Rental agreement).
  - Original letter of guarantee issued by a bank or cooperative institution of Cyprus, of ten (10) year validity, for covering possible repatriation expenses.
  - Letter of approval for change of status.
- RENEWAL
  - Valid passport or other travel document with validity of at least three (3) months over the desired period of stay.
  - Valid residence permit. Only in case of change of employer.
  - Valid Notification of Initial Approval issued by the Ministry of Finance. In case of change of employer, the Notification of Initial Approval issued by the Ministry of Finance, must have been issued no later than one (1) month prior to the date of application submission.
  - Original contract of employment, with monthly gross salary of at least €850.
  - Original bank guarantee, of ten year duration, for covering possible repatriation expenses.
  - Change of Employer: Original letter of guarantee issued by a bank or cooperative institution of Cyprus, of ten (10) year validity, for covering possible repatriation expenses. The amount depends on the country of origin.
  - Health Insurance Certificate.
  - Proof of payment of Social Insurance contributions.
  - Income Tax Clearance Certificate for the previous year.
  - Employer´s liability insurance.
  - Termination letter from previous employer. Only in case of change of employer (valid for 30 days).
  - Proof of residence in Cyprus (e.g. Rental agreement).
- b. SUPPORT STAFF
  - DOCUMENTS NECESSARY AFTER ARRIVAL VIA AN ENTRY PERMIT:
    - Valid passport or other travel document page that shows the last entry in the Republic.
    - Original contract of employment certified and stamped by the Labour Department.
    - Proof of residence in Cyprus (e.g. Rental agreement).
    - Employer´s liability insurance.
  - RENEWAL
    - Valid passport or other travel document with validity of at least three (3) months over the desired period of stay.
    - Employer's valid residence permit.
    - Valid residence permit. Only in case of change of employer.
    - Valid Approval of the Department of Labour that the employer is allowed to employ third country nationals.
    - Original contract of employment certified and stamped by the Labor Department, duly stamped.
    - Change of Employer: Original letter of guarantee issued by a bank or cooperative institution of Cyprus, of ten (10) year validity, for covering possible repatriation expenses.
    - Health Insurance Certificate.
    - Proof of payment of Social Insurance contributions.

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- o Income Tax Clearance Certificate for the previous year.
- o Employer's liability insurance.
- o Termination letter from previous employer. Only in case of change of employer (Valid for 30 days).
- o Title of ownership or rent agreement. If the title of ownership has not been obtained yet, the applicant must submit the contract of sale duly stamped by the Stamps Commissioner and the Department of Lands & Surveys and proof of payments. Only in case of change of employer.
- o Declaration of the employer for the number of current employees and the number of employees who abandoned their work. Only in case of change of 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: If the founder is already in the Republic with a different residence status, before submitting the application for a residence permit under the Plan, he/she should submit a written request to the Department of Civil Registry and Migration in order to change the residence status.
- Start-up employees. Please explain: If the employee is already in the Republic with a different residence status, before submitting the application for a residence permit under the Plan, he/she should submit a written request to the Department of Civil Registry and Migration in order to change the residence status.

**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:
- No.

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

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

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

- Online. Please explain:
- In person. Please explain: Applicants are required to submit their applications for residence permit in person. For first entries this is required both for registering to the Aliens Registry as foreseen by the immigration law and for providing the necessary biometric data and signature necessary for issuing the residence permit. Presence is also required when submitting an application for renewal of the residence permit again for capturing biometric data and signature (Cyprus immigration law provides that biometric data is deleted from the database 48 hours after issuing any residence permit)
- Other. Please explain: In cases of application submission for an entry permit (the applicant is abroad), application is submitted in person by a duly authorised representative of the applicant.

**Q13c.** Could the start-up founder **employ third-country nationals**? Under which scheme? What are the conditions that they have to fulfil? For the employment of the founder and of other third country nationals a company must be registered in Cyprus.

**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: The Cyprus Plan provides that applications for entry permit are reviewed within three (3) weeks after the complete submission. Same timeframe is also set by the Plan for applications for residence permits. So far, such applications are examined by priority within 15 days from complete submission.

**Q13e.** What is the **duration** of the visa/residence permit granted? In case of approval, a residence permit is issued, valid for one year. Renewal for a second year is possible. After the expiration of the renewed

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permit, further renewal is possible if the company proves scaling-up. In such cases, consecutive renewals would be possible without a maximum duration of stay for the founders/ employees of the company.

**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).*

**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).*

### 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.**

**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:

2. What are the migratory pathways (visas/residence permits) available?

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3. Would the person qualify for the permit and if yes, under what specific conditions?
4. Which authority would assess the eligibility of the applicants?
5. What is the application process?
6. 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-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?*

Vihaan will have to apply his business plan for an initial approval by the Ministry of Finance. Once this is granted, he will have to start his own company here in Cyprus or be registered to the Social Insurance Company as self-employed person. Simultaneously he will have to be registered in regards to migration procedures, and he can either obtain an entry permit by the Civil Registry and Migration Department or can obtain a visa by the Ministry of Foreign Affairs. Upon arrival, Sergey can apply for a residence permit per the Start-up Visa Scheme.

### 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?*

This fictional scenario cannot be addressed by Cyprus since no experience exists in regards to EU Blue Card as Cyprus has set the EU Blue Card quota to zero.

### 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 will have to apply for an initial approval by the Ministry of Finance. Once this is granted, in regards to migration procedures, Sergey can either obtain an entry permit by the Civil Registry and Migration Department or can obtain a visa by the Ministry of Foreign Affairs. Upon arrival, Sergey can apply for a residence permit per the Start-up Visa Scheme.

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

*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*

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*State and undertake further necessary research to receive patents and start the production of agents as a next stage. What are her possibilities?*

In regards to migration procedures, employment of Auri in her own or in any other company without leaving Cyprus would be possible if the relevant requirements of Directive (EU) 2016/801 were met. In a different case, Auri would have to depart from Cyprus and follow the procedures provided for from the Cyprus Start-up Plan or follow other procedures foreseen in the EU/ national migration legislation and policy for employment of third country nationals in Cyprus.

## 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:  
 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:  
 Universities and Higher Education Institutions (i.e. encouraging international students to stay as start-up entrepreneurs). Please elaborate:  
 Local and regional authorities (e.g. cities and regions). Please elaborate:  
 Other actors. Please elaborate:

**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:  
 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.

### ***I. RIGHTS***

<b>Rights</b>	<b>Brief description of the rights granted</b>
<b>Facilitation to access permanent residence</b>	
<b>Access to employment</b>	
<b>Possibility to be accompanied by family members</b>	
<b>Family members allowed to access the labour market</b>	
<b>Other rights</b> (please specify)	



**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
<b>Facilitations for admission</b> ; <i>If yes, please explain what they entail (shortened processing time, reduced documentary requirements etc.)</i>					
<b>Access to special funding and investments</b> (e.g. micro-loans)				<input type="checkbox"/>	<input type="checkbox"/>
<b>Co-working and dedicated spaces</b> (facilities for shared use of start-ups/businesses)				<input type="checkbox"/>	<input type="checkbox"/>
<b>Access to incubation/accelerator support programmes</b>				<input type="checkbox"/>	<input type="checkbox"/>
<b>Tax incentives</b> (benefits, reductions, exemptions, etc.)				<input type="checkbox"/>	<input type="checkbox"/>
<b>Consultation services/facilitators</b> help in networking/accessing networks				<input type="checkbox"/>	<input type="checkbox"/>
<b>Training programmes for start-ups</b>				<input type="checkbox"/>	<input type="checkbox"/>

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Measure	Brief description of the measure	Are the attraction measures <b>campaign-like or permanent</b> measures?	Who implements the measure? <i>(state, private sector, in cooperation etc)</i>	Applies to:	
				TCNs only	General
Financial support to cover administrative and/or staff costs				<input type="checkbox"/>	<input type="checkbox"/>
Other special incentives <i>Please add new rows as applicable</i>				<input type="checkbox"/>	<input type="checkbox"/>

**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)

**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:*

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:

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.

**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):

**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).*

**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) 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).*

## 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:

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:

a permanent residence. Please describe:

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

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

**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':
- 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:
- Their business plan changes after approval:

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

Simplified renewal process

Tax relief schemes

Others. Please elaborate:

**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).*

**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).*

**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

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**Q25b.** Do you have any information or statistics on the **misuse of migratory pathways**<sup>13</sup> for start-ups and innovative entrepreneurs in your (Member\_ State)?

**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.

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

### Section 6 Conclusions

*This section of the Synthesis Report will draw conclusions as to the (Member) States' policies and practices related to attracting and retaining start-ups and innovative entrepreneurs.*

**Q26.** With regard to the aims of this study, what conclusions would you draw from your findings reached in elaborating your national contribution? In particular, what is the relevance of your findings to (national and/or EU level) policy-makers?

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<sup>13</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.

## 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