

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

Common Template for EMN Study 2019

Final version: 4th March 2019

Action: EMN NCPs to complete this template and submit their National Report by 3rd June 2019.

Further clarifications can be provided by directly contacting the EMN Service Provider (ICF) at emn@icf.com and to Veronika Vasileva (veronika.vasileva@icf.com) and Jonas Kaufmann (JonasBenjamin.Kaufmann@icf.com).

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

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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.**

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 funding¹. 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)². 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 nomads³ 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;

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

² 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

³ 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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- 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 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.⁴

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?

⁴ Available at:

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

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- 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?

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
- EMN (2017) Briefing Paper: Attracting and retaining foreign start-up 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
- 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
- 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

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
- 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
- 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->

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[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>
- 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>

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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: Investopedia⁵)

'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: BusinessDictionary⁶)

'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 2013⁷).

'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 Times⁸)

'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;

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

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

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

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

⁸ <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 Start-up 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)

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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; Marie Boscher Marie.BOSCHER@ec.europa.eu
- ★ EMN Service Provider: emn@icf.com; Veronika Vasileva veronika.vasileva@icf.com; Jonas Kaufmann JonasBenjamin.Kaufmann@icf.com
- ★ Odysseus experts: Sylvie Saroléa sylvie.sarolea@uclouvain.be and Jean-Baptiste Farcy jean-baptiste.farcy@uclouvain.be
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- ★ UK EMN NCP: Paul Casey Paul.Casey@homeoffice.gov.uk

10 TIMETABLE

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

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

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Date	Action
15 th August 2019	Circulation of <u>Version 1 of the Synthesis Report</u> for the Study to COM and AG Members
10 th September 2019	Circulation of the <u>revised Synthesis Report</u> for the Study to COM, AG members and EMN NCPs
10 th 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

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National Contribution from (Member) State*⁹

***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:

Portugal develops a National Strategy for Entrepreneurship – StartUP Portugal –, whose measures focus on developing the Ecosystem, Financing and Internationalisation. This strategy puts into practice the programmatic and political principles established in the National Reform Programme and in Portugal's Partnership Agreement with the European Commission.

Thus, Portugal develops a programme aimed at the development of the economic environment, with particular regard for the promotion of entrepreneurship. Within the scope of migration policies, instruments aimed at fostering entrepreneurship are included in the StartUP Visa and Tech Visa programmes. They focus on streamlining procedures by certifying the relevant entities – incubators for StartUP Visa and companies for Tech Visa – and by simplifying permit application procedures through the use of online platforms.

It should be noted that start-up projects are evaluated by the incubators, based on criteria established by the policy goals within this context.

The visa and residence permit schemes, as well as the procedures adopted, are consistent with other existing permanence schemes within the national territory.

Finally, it should be noted that the National Entrepreneurship Strategy has a comprehensive and non-exclusive perspective for attracting foreign investors. In other words, measures like StartUp Visa, StartUp Tech and *Espaço Empresa* for StartUps are part of a broad set of measures for the development of an entrepreneurship-friendly environment in Portugal.

⁹Replace highlighted text with your **Member State** name here.

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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:

The Portuguese government contemplated in its Programme a set of policy goals aimed at creating an environment that promotes entrepreneurship, structured in various measures aimed at removing barriers and fostering the creativity and initiative of Portuguese and foreign investors.

In order to implement these measures, a National Reform Plan (NRP) was developed, in the context of creating an economic environment that facilitates entrepreneurship, which comprises the following set of measures:

- Capitalisation of companies, based on the evaluation of the financial instruments that support entrepreneurship, as part of the Portugal2020 (PT2020) partnership agreement, resulting in the development of the Capitalizar Program, with relevance towards financing entrepreneurship and attracting business investment (particularly in the context of residence permits for investment activities - *golden visas*);
- Fostering innovation in the Portuguese economy, based on investment in science and technology in order to boost the creation of new companies and products, as well as bringing science and economy closer together.

PT2020, which operates the Partnership Agreement with the European Commission, under the theme “Competitiveness and Innovation” has the following strategic objectives:

- Increase the intensity of technology and knowledge in the various sectors and in the economy as a whole;
- Increase the weight of activities that produce tradable goods and services and increase exports by Portuguese companies;
- Enable small and medium enterprises to pursue more advanced business strategies.

In this context, the Government introduced in 2016 the National Strategy for Entrepreneurship, labelled “StartUp Portugal”, focused on three key areas of action: ecosystem, financing and internationalisation, with the following objectives:

- Create and support the ecosystem on the national scale;
- Attract domestic and foreign investors;
- Improve and foster the financing of start-ups at all stages of their development.

In 2018, taking into account the development verified in the Portuguese innovation ecosystem, the National Strategy for Entrepreneurship was redesigned with a view to promote internationalisation. The “StartUp Portugal+ Program” is structured into the following objectives:

- Create and support the ecosystem on the national scale;
- Attract domestic and foreign investors;

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- Improve and foster the financing of start-ups at all stages of their development;
- Promoting and accelerating the growth of Portuguese start-ups in foreign markets.

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 creative potential in new businesses, new entrepreneurs and new offerings is a national policy priority in the context of start-up development and qualified entrepreneurship. It should be noted that the National Entrepreneurship Strategy, "StartUp Portugal+ Program" is contemplated in the Major Options of the Plan for 2019, resulting in a broad set of measures, such as:

- The creation of the 200M Fund;
- Venture Capital Financing Lines;
- The Semente (Seed) Programme (more favourable tax scheme, fostering the creation and growth of entrepreneurial and innovation business projects);
- StartUp Vouchers (granting scholarships for the development of projects in the idea phase)
- Start-up Incubation Vouchers (financing the acquisition of essential services by start-ups);
- Development and internationalisation of the national entrepreneurship ecosystem;
- The StartUp Visa Program.
- Web Summit in Portugal (the biggest technology entrepreneurship event in Europe)
- Innovation/Qualified Entrepreneurship IS,
- Boosting the presence of start-ups in international committees of AICEP, E. P.E. (Business Development Agency) and Turismo de Portugal
- Implementation of Tech Visas (certification of technological and innovative companies for the purpose of granting visas or residence permits to highly qualified third-country nationals wishing to develop their activity within them).
- Consolidation of the National Network of Business Incubators
- FabLabs and Makers Spaces,

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:

Ordinance No. 57-A/2015 of 27 February, as subsequently amended, establishes in its Article 2(ee) the legal definition of "Qualified and creative entrepreneurship" for the purpose of regulating competitiveness and internationalisation within the policy framework for the creation of an economic environment that fosters entrepreneurship:

ee) "qualified and creative entrepreneurship" means high value-added business initiatives whose effects can change the productive profile of the economy, i.e. leading to the creation of companies with qualified human resources, companies operating in sectors with strong growth dynamics, sectors with greater technology and knowledge intensity or companies that value the application of R&D results in the production of new products and services.

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This ordinance comprises a set of definitions that may be useful for the conceptual delimitation of the relevant legal concepts in the scope of entrepreneurship, namely:

- cc) "Female entrepreneurship" means projects in which the entrepreneur or group of female entrepreneurs meets one of the following requirements:
 - i) Directly or indirectly hold a share in the capital that is 50% or higher and keep that share for at least two years after the completion of the project;
 - ii) Perform executive duties in the company and maintain them for at least two years after the completion of the project;
- dd) "Young entrepreneurship" means a project where the young person or group of young participants are between 18 and 35 years old and meet one of the following conditions:
 - i) Directly or indirectly hold a share in the capital that is 50% or higher and keep that share for at least two years after the completion of the project;
 - ii) Perform executive duties in the company and maintain them for at least two years after the completion of the project;
- ff) «Company» means any entity that, regardless of its legal form, is engaged in an economic activity through the competitive offer of goods or services on the market. Such entities are those which carry out an artisanal activity or other activities on an individual or family basis, or partnerships or associations which regularly carry on an economic activity;
- mmm) "seed projects" means those which are in the study, evaluation and development phases of the business initiative and which precede the start-up phase;
- (vvv) "spin-offs" means new companies created with the aim of valuing the application of R&D results by exploiting new technology or innovative products or services. This company is born from an existing organisation, such as a public or private research centre, a university or a company, which accommodates and supports the new business initiative.

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

The legal framework analysed does not include a legal definition of "start-up". However, from the concepts established in Ordinance No. 57-A/2015 of 27 February, as subsequently amended, the concept of "start-up" can be described as a high value-added business initiative in its early stages (idea, seed or start-up phases).

No

Q3a. What are the **requirements** for starting up a business (i.e. start-up) in your (Member) State? Please describe briefly¹⁰:

In order to start a business in Portugal it is necessary to incorporate a company (having secured the necessary share capital), register the corporate name, and register the company at the companies, tax and social security registries.

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

The incorporation of a company has been subject to constant simplification in Portugal, and there is currently a simplified scheme and a "traditional" scheme.

¹⁰ 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

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The “traditional” scheme involves visiting various government services, following these steps:

- Step 1: Certificate of Admissibility of the Firm – application filed with the Institute of Registration and Notary Affairs (IRN) or the National Registry of Companies (RNPC), indicating the desired corporate name, the corporate object of the future company and municipality of address of the respective registered office;
- Step 2: Share capital – cash deposit in a bank account opened in the name of the company, to be constituted from the share capital contributions
- Step 3: Document of incorporation – formalisation of the company's incorporation document, including its bylaws and face-to-face recognition of the signatures of the members.
- Step 4: Company Registration – Submission of registration with the Companies Registry Office, including the documents referred to in steps one and three (other documents may be required due to specificities regarding the way in which step two is fulfilled)

The Companies Registry Office records the incorporation of the company and its registration in the Central Registry of Companies, and once completed, a code to access the company's commercial registration certificate is made available.

- Step 5: Commencement of Business (Tax Authorities) – Within 15 days after the submission of the commercial registration application, the company shall be required to declare to the Tax and Customs Authority the commencement of business and delivery of the company's commercial registration certificate.
- Step 6: Commencement of Business for Social Security purposes – Within 10 days of the submission of the commencement of business certificate to the tax authorities, the company shall submit a commencement of business certificate to the social security services and proceed to deliver certificates for the following documents: Commercial registration; Commencement of activity document issued by the tax authorities; Document regarding the appointment of the members of the governing bodies (document of incorporation or minutes of the deliberation by the competent governing body); and the Tax ID number of members of the governing bodies.
- Step 7: Book of Minutes – Upon the conclusion of the commercial registration of the incorporation, the company shall open the book of minutes in which the resolutions of the general meeting and other governing bodies will be transcribed.

The simplified scheme can be done in person at a “*Loja da Empresa*” (Business Gateway) or over the internet at the *Empresa On-line* (Business Incorporation Online) portal: www.portaldaempresa.pt).

In both schemes, the steps are simplified by entrepreneurs adhering to pre-established corporate names and business models.

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:

The use of the simplified scheme presents the following average timeframes (data from January 2016 to May 2019; available at <https://dados.justica.gov.pt/dataset/eol> and <https://dados.justica.gov.pt/fr/dataset/enh>):

- *Empresa na Hora*: 50 minutes
- *Empresa On-Line*: 4.48 days

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Because the “traditional” scheme involves traveling to various government services, no administrative statistical data are available.

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

The minimum cost of business registration is:

Registration method	Amount	Notes
Traditional	562.50€	This encompasses costs related to the application for the Certificate of Admissibility of the Firm (75.00 €), Commercial Registration – Registration of incorporation: 400.00 € and simultaneous registration of the appointment of members of governing bodies and registration of incorporation: 87.50 €
<i>Empresa na Hora</i>	360.00 €	If the activity to be developed is in the technological or research sector, the minimum cost will be 300.00 €
Online	180.00 €	It implies the adoption of a pre-approved bylaws template: If the activity to be developed is in the technological or research sector, the minimum cost will be 120.00 €

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 Portugal, the fostering of an environment that promotes entrepreneurship has been considered a political-strategic priority in favour of economic growth. Thus, successive governments have sought to develop policies that are consistent with these priorities.

As an example, the preparation of the Portugal 2020 Partnership Agreement has highlighted a number of constraints on the competitiveness and innovation of the Portuguese economy, particularly in the context of the correction of budgetary and external imbalances since 2011.

One of the points highlighted was the “insufficient capacity to generate quality entrepreneurship and boost dynamic business and innovation opportunities”.

On the other hand, the 2016 National Reform Programme presented the Government's medium-term strategy. It was based on different *ex-ante* analysis studies, in particular the *Ex-Ante* Evaluation report on the Financial Instruments of Portugal2020 Program, which affect the Financial Instruments for direct business support

([https://lisboa.portugal2020.pt/np4/%7B\\$clientServletPath%7D/?newsId=46&fileName=RelFinal_Lote1_VF.pdf](https://lisboa.portugal2020.pt/np4/%7B$clientServletPath%7D/?newsId=46&fileName=RelFinal_Lote1_VF.pdf))

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

Yes. Please describe:

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In recent years, the Portuguese innovation ecosystem has had an extremely relevant development, as a result of the adopted public policies, the change of mindset in relation to risk taking and in response to the economic constraints experienced in the first half of the decade.

Support for entrepreneurship and innovation is promoted by both central and local public administration, by institutional and informal investors and by the creation of hubs and incubators throughout the national territory.

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.

Portuguese municipalities play an extremely important role in investing in the creation of ecosystems, incubators and local hubs as a way of attracting entrepreneurs, investment, innovation and population, as shown in the table below, which gives some examples of how cities contribute towards the promotion of entrepreneurship:

Municipality	Initiative	Framework	Address
Lisbon	Startup Lisboa	Incubator	https://www.startuplisboa.com/startup-lisboa-info
	MadeofLisboa	Community	https://madeoflisboa.com/
	Websummit	Conference	http://www.cm-lisboa.pt/investir/empreendedorismo/websummit https://websummit.com/
Porto	Scaleup Porto	Ecosystem	https://scaleupporto.pt/pt/home-pt/
Cascais	DNA Cascais	Ecosystem	https://www.dnacascais.pt/
Aveiro	Business Incubator of the Municipality of Aveiro	Incubator	http://www.iera.pt/
Braga	StartupBraga	Innovation Hub	https://www.startupbraga.com/
Setúbal	New Business Initiatives Nest of Setúbal	Ecosystem	https://www.mun-setubal.pt/ninho-de-novas-iniciativas-empresariais-de-setubal/#1542709960476-bdf34972-796d
Évora	Evoratech	Incubator	http://www.cm-evora.pt/pt/site-investir/investimento/Evoratech
Fundão	Living Lab Cova da Beira	Ecosystem	https://www.cm-fundao.pt/movetofundao/Living_Lab
Castelo Branco	Innovative Companies Centre	Ecosystem	http://www.cataa-cei.pt/

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Oeiras	Oeiras Valley Program	Innovation ecosystem creation program, favouring the establishment of technology, pharmaceutical and research-based companies	http://www.cm-oeiras.pt/pt/investir/Paginas/Oeiras-lança-programa-para-criação-de-ecossistema-único-para-os-negócios,-a-ciência-e-a-tecnologia.aspx
	TagusPark	Incubator	www.taguspark.pt

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 activities¹¹.

The sectors and industries that were given a greater focus, in terms of attracting entrepreneurs are framed within the National Strategy for the Digitisation of the Economy, and the Industry 4.0 Initiative, whose key areas of action include:

- Human Resources Training¹²
- Technological cooperation
- StartUp i4.0
- Investment support and financing
- Internationalisation
- Legal and regulatory adaptation

StartUp i4.0's key areas of action aim at:

- Promoting Portugal as an attractive hub for Start-ups and investors, creating the necessary conditions for this purpose.
- Creating the conditions for the sharing of skills and solutions between the business world and the innovation ecosystem

To accomplish this key area, the measures to be developed are:

- An Accelerator, Incubator and Prototyping Centre for Industry 4.0 - "4AC-Industry 4.0"
- Fostering innovation strategies in the national business fabric
- A Centre for Innovation and Tourism Development
- Digital Tourism Hackathon

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

¹² One of the measures in this key area relates to the "Visa policy for highly qualified workers", aimed at strengthening the European visa policy for the recruitment of technical staff, particularly in the areas of engineering and/or training and/or with experience in new technologies. In this context, a network of Portuguese recruiters and a policy support platform will be created, bringing companies and candidates closer. Policy users will enjoy working conditions equal to national citizens, favourable conditions for family reunification and the prospect of permanent residence.

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Essentially, the Industry 4.0 Programme aims at accelerating the incorporation of Industry 4.0's concepts and practices into companies, provide international exposure to the Portuguese business sector equipped with technologies for this purpose and promote the country as a competitive location for investment in innovation projects, focusing on the following sectors:

- Section A - Agri-food;
- Section C - Automobile;
- Section I - Tourism;
- Section J - CyberSecurity;
- Section K - Financing;
- Section M - Fashion and Retail;

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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:

The national policy on creating an environment that fosters and promotes entrepreneurship is also expressed in measures aimed at attracting innovative and creative start-ups and entrepreneurs from third countries.

In this context, Portugal has developed, in the context of the Start-Up Portugal Programme, the Startup Visa and Tech Visa programmes, which complement the national legal framework, such as investment attraction (Golden Visa) or talent attraction (national scheme and blue card).

It proceeded to densify a regulatory framework that facilitated the launching of start-ups, as well as of innovative and creative entrepreneurs, namely:

- Granting of a visa or residence permit to third country nationals who develop an entrepreneurial project (including the creation of an innovative company) integrated in a certified incubator, via the amending of Law 23/2007 of 4 July by Law 102/2017 of 28 August;
- Incubator certification scheme to welcome foreign entrepreneurs wishing to develop an entrepreneurship and/or innovation project in Portugal. (Ordinance No. 344/2017 of 13 November) and Normative Order No. 4/2018 of 2 February
- Granting of a visa or residence permit to third-country nationals wishing to pursue a highly qualified activity in a certified company, via the amending of Law No. 23/2007 of 4 July by Law No. 102/2017 of 28 August, regulated by the business certification scheme, with a view to accommodating third-country nationals who wish to develop a highly qualified activity in Portugal (Ordinance No. 328/2018 of 19 December, as amended by Ordinance No. 99/2019 of 4 April)

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:

The amendment made to the Immigration Law in 2017 (Law No. 23/2007 of 4 July, by Law No. 102/2017 of 28 August) established the possibility of granting visas to third country nationals who develop an entrepreneurial project (including the creation of an innovative base company) integrated in a certified incubator, through:

- Visa arrangements for third country national entrepreneurs by amending Article 60 (2);

It should be noted that the project must be developed in a certified incubator under the terms of Ordinance No. 344/2017 of 13 November and Normative Order No. 4/2018 of 2 February.

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

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The amendment made to the Immigration Law in 2017 (Law No. 23/2007 of 4 July, by Law No. 102/2017 of 28 August) established the possibility of granting visas to third country nationals who develop an entrepreneurial project (including the creation of an innovative base company) integrated in a certified incubator, through:

- Visa arrangements for third country national entrepreneurs by amending Article 89 (4);

It should be noted that the project must be developed in a certified incubator under the terms of Ordinance No. 344/2017 of 13 November and Normative Order No. 4/2018 of 2 February.

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:

The creation of these schemes is part of the development of the national entrepreneurship strategy (see Q1a and Q1b).

The National Entrepreneurship Strategy, created in 2016 and labelled Startup Portugal, had three fundamental objectives:

- To create and support the national ecosystem;
- Attract domestic and foreign investors;
- To foster and accelerate the growth of Portuguese start-ups in foreign markets

By assessing the implementation of the programme and its growth (radical change in the Portuguese innovation ecosystem, significant increase in start-ups and incubators, increased international visibility, among other achievements), the Government designed the Startup Portugal + Programme (introduced in July 2018) to give a new boost to the initial strategy and address emerging challenges, with 5 measures from the original programme being consolidated and 20 new measures being launched.

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

The Startup Visa programme started in 2017.

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

Prior to the introduction of Startup Visa, a third-country national wishing to invest in national territory could obtain a residence permit for entrepreneurial activity including investment operations (Article 60 of Law 23/2007 of 4 July, with the wording introduced by Law No. 63/2015 of 23 June).

In terms of residence permit, an entrepreneur could use the self-employed worker scheme (article 89 of Law No. 23/2007 of 4 July, with the wording introduced by Law No. 63/2015 of 23 June) or through the residence permit scheme for investment activities - golden visa - (article 90-A of Law No. 23/2007 of 4 July, with the wording introduced by Law no. 63/2015 of 23 June) if such investment creates 10 jobs.

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

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

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

The Tech Visa Programme seeks to expedite visa procedures (Article 61(1)(c) of Law 23/2007 of 4 July, as amended by Law no. 102/2017 of 28 August) to highly qualified third-country nationals wishing to develop their highly qualified activity in companies on national territory.

This programme establishes a certification scheme for companies, which, at the request of the third-country national, issue a term of responsibility (sponsorship) as a fundamental proof for granting the respective visa. This certification scheme is regulated by Ordinance No. 328/2018 of 19 December, as amended by Ordinance No. 99/2019 of 4 March.

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

The Tech Visa Programme seeks to expedite the procedures for granting residence permits (Article 90(1)(c) of Law 23/2007 of 4 July, as amended by Law No. 102/2017 of 28 August) to highly qualified third-country nationals wishing to develop their highly qualified activity in companies on national territory.

This programme establishes a certification scheme for companies, which, at the request of the third-country national, issue a term of responsibility (sponsorship) as a fundamental proof for granting the respective residence permit. This certification scheme is regulated by Ordinance No. 328/2018 of 19 December, as amended by Ordinance No. 99/2019 of 4 March.

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:

It was essential for the government to establish an effective, efficient and agile residence permit programme for highly qualified immigrants in order to consolidate the complementary measures to the economic policy of attracting investment, technological development and highly skilled and specialized workers. This contributed towards the consolidation of an entrepreneurial ecosystem and technological sector, essential areas for the internationalisation of the Portuguese business fabric.

Thus, the "Tech Visa" programme was developed, in order to cover both residence permit schemes, assuming the fulfilment of the other general requirements for this purpose.

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

The Tech Visa programme started in 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.

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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?

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:

No.

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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 model¹³, prior registration in the MS, etc)?

Within the scope of the Startup Visa programmes, the business project is assessed in the StartUp Visa Portal (<https://webapps.iapmei.pt/StartupVisa/VisaEmp/Account/Login.aspx?AspxAutoDetectCookieSupport=1>) in two stages:

1. Evaluation of interest in hosting the project: conducted by the incubators, based on the following criteria (Article 6 (2) of Normative Order No. 4/2018 of 2 February):
 - Innovative nature of the project;
 - Growth potential;
 - Scalability of the business in the market;
 - Plans to stay in Portugal after the program.
2. Overall evaluation of the application: Conducted by IAPMEI (Agency for Competitiveness and Innovation), based on a set of quantitative and qualitative project-related criteria.
 - Potential for innovation, internationalisation, skilled job creation, potential for an annual turnover of 325,000 € by the fifth year of the incubation contract and/or the achieving of an equivalent value in assets.

The StartUp Visa Programme establishes the requirements for start-up founders, as established in Ordinance No. 344/2017 of 13 November, amended by Ordinance No. 275/2018 of 4 October and Normative Order no. 4/2018 of 2 February:

- Having no permanent residence within the Schengen Area;
- Being in good standing with the tax and social security services, when applicable;
- Having no criminal record;
- Being no less than 18 years old;

¹³ "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

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- Having financial and subsistence resources equivalent to 12 times the Social Support Index ¹⁴(IAS) - 435.76 €, proven through a bank document, totalling 5,229.12 €.
- Having an active interest in developing an entrepreneurial project in Portugal, namely through the creation of an innovation-based company;
- Having the intention to develop activities of production of internationalised goods and services;
- Having projects and/or companies focused on technology and knowledge, with prospects for the development of innovative products;
- Interest from one or more certified incubators to physically incubate the entrepreneurial project under the programme terms;
- Having the potential to create qualified jobs, other than those of the entrepreneurs included in the programme application;
- Having the potential to achieve, up to 5 years after the start of the incubation contract, a turnover above 325,000 €/year and/or the same value in assets;
- Having the ability to set up a company, when applicable, during the term of the program;
- The individual contribution of each candidate is essential to the development of the entrepreneurial project.

If the entrepreneur already has business projects in the country of origin and wishes to pursue their activity in Portugal, they must prove that:

- The start-up company in question was established less than 4 years ago in the country of origin;
- They will develop their activity within national territory;
- The project has the potential to create at least 5 jobs, besides those of the entrepreneurs in charge of the project, within 24 months;
- They have executive duties in the company and/or a shareholding in the act of incorporation or voting rights, corresponding to at least 10% of the share capital;
- The company's official accounts for the financial year preceding the application have a positive net worth.

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:

IAPMEI conducts a global evaluation of the project application, and the incubator evaluates the interest in hosting the project.

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: Project Name, typology (Entrepreneurs who wish to develop their entrepreneurial and/or innovative project in Portugal, even though they have not yet set up a company/Start-up just started, registered company outside the EU would like to set up in the Member State; Entrepreneurs who already have business projects in their countries of origin and wish to pursue their activity in Portugal/Start-up at business plan stage, has not yet registered the company in the Member State, wants to apply from outside the EU), sector, short description, prove they interest in developing the project, innovative nature of the project, proof of the potential for internationalisation of the business or exporting of goods or services, identification of the technology/knowledge that

¹⁴ Ordinance No. 24/2019 of 17 January

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supports the innovation of the product/service and proof of its potential for such task, job creation potential (besides the entrepreneurs) and rationale, estimated turnover (€) in the 5th year and rationale; estimated asset value (€) in the 5th year and rationale; planning of each stage until the creation of the company (12 months)

Means of financing (e.g. bank statements). Please explain: bank statement demonstrating the existence of financial and subsistence means and certifying the possibility of transferring these funds to a banking institution in Portugal

Patents, trademarks, intellectual property. Please explain:

Qualifications and diplomas of the start-up founder. Please explain: Academic qualifications and presentation of Curriculum Vitae required

Evidence of registration in a national commerce register. Please explain:

Others. Please explain: Certificate of criminal record issued by the country of origin; incubation declaration of interest provided by one or more incubators;

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 maximum evaluation time is 30 days after the submission of the application (not including incubator response time).

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:

There is no deadline when applying for a residence permit. However, considering that the incubation contract is valid for 12 months, renewable (Article 7(5) of Normative Order 4/2018 of 2 February), it is important that the entrepreneur submits the application for a residence permit within a reasonable time after the conclusion of the contract.

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

Online. Please explain:

The project Evaluation request is made in the StartUp Portal platform (<https://webapps.iapmei.pt/StartupVisa/VisaEmp/Account/Login.aspx?AspxAutoDetectCookieSupport=1>), by submitting the request to an incubator for consideration.

In person. Please explain:

Other. Please explain:

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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:

The requirements for the entrepreneur to apply for a residence permit under the StartUp Visa Programme and the legal scheme for foreigners¹⁵ are:

- Passport or other valid travel document;
- Having means of subsistence (minimum 5,229.12€) and accommodation;
- Travel insurance;
- Absence of any restraining order or prohibition from entering national territory or flag in the Schengen Information System for the purpose of refusing entry into a Member State of the European Union;
- IAPMEI Certificate demonstrating the conclusion of an incubator contract with a certified incubator (corresponds to the prior approval by the project approval authority).

Start-up employees. Please explain:

The requirements for highly skilled start-up workers are established in Ordinance No. 328/2018 of 19 December, amended by Ordinance No. 99/2019 of 4 April, which operate the Tech Visa Programme in association with the legal scheme for foreigners¹⁶:

- Having no permanent residence within the Schengen Area;
- Being a third-country national and not a permanent resident in the European Union;
- Being in good standing with the tax and social security services, when applicable;
- Having no criminal record;
- Being no less than 18 years old;
- Performing a highly qualified activity demonstrated by meeting one of the following requirements:
 - A minimum qualification of level 6 according to ISCED (International Standard Classification of Education) -2011;
 - Workers with a qualification level 5, a technical and professional course according to ISCED - 2011, must demonstrate exceptional technical expertise obtained through a minimum experience of 5 years;
 - Employment contract or promise of employment contract lasting at least 12 months;
- A minimum annual salary equivalent to 2.5 times the Social Support Index (totalling 1089.40€);
- Command of the Portuguese or English language, in accordance with the duties to be performed;

¹⁵ Articles 52 and 60 of Law No. 23/2007 of 4 July, amended by Laws No. 29/2012 of 9 August, 56/2015 of 23 June, 63/2015, 30 June, 59/2017 of 31 July, 102/2017 of 28 August, 26/2018 of 5 July and 28/2019 of 29 March and Article 31, paragraph 2 of Regulatory Decree no. 84/2007 of 5 November, amended by Regulatory Decrees No. 2/2013 of 18 March, 15-A/2015 of 2 September, 9/2018 of 11 September, by Decree Law no. 31/2014 of 27 February

¹⁶ Articles 52 and 61 of Law No. 23/2007 of 4 July, amended by Laws No. 29/2012 of 9 August, 56/2015 of 23 June, 63/2015 of 30 June, 59/2017 of 31 July, 102/2017 of 28 August, 26/2018 of 5 July and 28/2019 of 29 March and Article 31, paragraph 2 of Regulatory Decree no. 84/2007 of 5 November, amended by Regulatory Decrees No. 2/2013 of 18 March, 15-A/2015 of 2 September, 9/2018 of 11 September, by Decree Law no. 31/2014 of 27 February

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- Proof of sponsorship by a Certified Company.

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 requirements for the entrepreneur to apply for a residence permit under the StartUp Visa Programme and the legal scheme for foreigners¹⁷ are:

- Passport or other valid travel document;
- Having means of subsistence (minimum 5,229.12€) and accommodation;
- Social security registration;
- Absence of conviction for any crime that in Portugal is punishable by deprivation of liberty for more than one year;
- Not being prohibited from entering national territory;
- No indications in the Schengen Information System;
- IAPMEI Certificate demonstrating the conclusion of an incubator contract with a certified incubator, in accordance with the applicable law.

Start-up employees. Please explain:

The requirements for highly skilled start-up workers are established in Ordinance No. 328/2018 of 19 December, amended by Ordinance No. 99/2019 of 4 April, which operate the Tech Visa Programme in association with the legal scheme for foreigners¹⁸:

- Passport or other valid travel document;
- Having means of subsistence (minimum 5,229.12€) and accommodation;
- Social security registration;
- Absence of conviction for any crime that in Portugal is punishable by deprivation of liberty for more than one year;
- Not being prohibited from entering national territory;
- No indications in the Schengen Information System;
- Performing a highly qualified activity demonstrated by meeting one of the following requirements:
 - A minimum qualification of level 6 according to ISCED (International Standard Classification of Education) -2011;

¹⁷ Articles 77 and 89 of Law No. 23/2007 of 4 July, amended by Laws No. 29/2012 of 9 August, 56/2015 of 23 June, 63/2015 of 30 June, 59/2017 of 31 July, 102/2017 of 28 August, 26/2018 of 5 July and 28/2019 of 29 March and Article 31, paragraph 55 of Regulatory Decree no. 84/2007 of 5 November, amended by Regulatory Decrees No. 2/2013 of 18 March, 15-A/2015 of 2 September, 9/2018 of 11 September, by Decree Law no. 31/2014 of 27 February

¹⁸ Articles 77 and 90 of Law No. 23/2007 of 4 July, amended by Laws No. 29/2012 of 9 August, 56/2015 of 23 June, 63/2015 of 30 June, 59/2017 of 31 July, 102/2017 of 28 August, 26/2018 of 5 July and 28/2019 of 29 March and Article 56 of Regulatory Decree no. 84/2007 of 5 November, amended by Regulatory Decrees No. 2/2013 of 18 March, 15-A/2015 of 2 September, 9/2018 of 11 September, by Decree Law no. 31/2014 of 27 February

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- Workers with a qualification level 5, a technical and professional course according to ISCED - 2011, must demonstrate exceptional technical expertise obtained through a minimum experience of 5 years;
- Employment contract or promise of employment contract lasting at least 12 months;
- A minimum annual salary equivalent to 2.5 times the Social Support Index (totalling 1089.40€);
- Command of the Portuguese or English language, in accordance with the duties to be performed;
- Proof of sponsorship by a Certified Company.

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:
- Start-up employees. Please explain:

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:

In regards to the granting of visas, the consular authorities shall examine the documentation that must accompany the application:

- Documentation for all applications:
 - Specific application form to be filled in online (<https://www.vistos.mne.pt/pt/pedido-de-visto/solicitar-pedido-de-visto>);
 - Passport or other travel document valid for more than 3 months beyond the expected length of the stay;
 - Two identical passport photographs, recent and in good condition, allowing to identify the applicant;
 - Valid travel insurance covering the necessary expenses for medical purposes, including urgent medical care and possible repatriation;
 - Request to check the Portuguese criminal record by the Immigration and Borders Service (SEF);
 - Certificate of criminal record from the country of origin or the country where the applicant has been resident for more than one year (ages under 16 are exempt);
 - Proof of means of subsistence;
- Entrepreneur-Specific Documentation – StartUp Visa Programme:
 - IAPMEI Certificate demonstrating the conclusion of an incubator contract with a certified incubator.
- Specific documentation for highly qualified workers developing activities in start-ups – Tech Visa Programme:
 - Proof of sponsorship by a Certified Company.

Immigration and Borders Service issues a binding preliminary opinion considering the criminal record (a final judgement sentencing the person in question to more than one year in prison will exclude said person) and elements relating to the safeguarding of national security and prevention of illegal immigration or related criminality.

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In regards to the granting of residence permits, the consular Immigration and Borders Service shall examine the documentation accompanying the application:

- Documentation for all applications:
 - Specific application form signed by the applicant or their legal representative;
 - Passport or other valid travel document;
 - Proof of means of subsistence;
 - Proof of accommodation;
 - Authorisation to check the Portuguese criminal record by the Immigration and Borders Service (SEF) (ages under 16 are exempt);
 - Criminal record from the country of origin or the country where the applicant has been resident for more than one year;
- Entrepreneur-Specific Documentation - StartUp Visa Programme:
 - IAPMEI Certificate demonstrating the conclusion of an incubator contract with a certified incubator.
- Specific documentation for highly qualified workers developing activities in start-ups - Tech Visa Programme:
 - Proof of sponsorship by a Certified Company.

Q13a. To which authorities is the application submitted?

The visa application is submitted with the consular authorities and the application for a residence permit must be submitted with SEF.

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

- Online. Please explain:
- In person. Please explain:
- Other. Please explain:

Requests according to mixed pre-booking procedures (online or contact centre) and subsequent presence of the applicant with the respective authority.

Visa applications are submitted with the consular authorities, along with the necessary documentation, in a prior appointment made via the portal <https://www.vistos.mne.pt/pt/pedido-de-visto/solicitar-pedido-de-visto>:

Applications for residence permits are submitted to the Immigration and Borders Service, by prior appointment through the SEF Contact Centre (or online for residence permit renewals), receiving a confirmation of the appointment via email and, on the eve of the appointment, an alert via SMS.

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

Yes, through the Tech Visa Programme, which includes the certification of companies for the purposes of granting visas or residence permits to highly qualified third-country nationals wishing to develop their activity within them.

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:

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There is no time limit for the granting of visas. For the granting of a residence permit, a 90-day decision period is established (Article 81 of Law No. 23/2007 of 4 July, in its current wording).

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

Visas issued under the StartUp Visa and Tech Visa programmes allow staying in Portugal for a period of four months, renewable for a further 90 days. It should be noted that the purpose of this visa is to promote the entry into the national territory of the entrepreneurial TCN for the purpose of subsequent application for residence permit (Articles 58, 60, 71 and 73 of Law No. 23/2007 of 4 July, in its current wording).

Residence permits are issued for a period of one year, renewable for two years (Article 75 of Law No. 23/2007 of 4 July, in its current wording).

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).*

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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 note 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) 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).*

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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-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 submit an application under the StartUp Visa Programme, allowing his project to be evaluated by a certified incubator through the StartUP Visa portal.

If the application is approved, Vihaan will have to apply for a visa under the StartUp Visa Programme through the Portuguese consular services platform (<https://www.vistos.mne.pt/pt/pedido-de-visto/solicitar-pedido-de-visto>).

After the visa is granted and he enters the national territory, he will request the respective residence permit from the Immigration and Borders Service, for which he must book a prior appointment through the Contact Centre.

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?

Amel will have to request a transition into the entrepreneur scheme by submitting her project to a certified incubator through the StartUP Visa portal. Once the project is approved, she will request the respective residence permit from the Immigration and Borders Service, by prior appointment through the Contact Centre.

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

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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?

To qualify for the StartUp Visa Programme, Sergei will need to register the company in Portugal and submit an application within the scope of the Programme, submitting his project to a certified incubator through the StartUP Visa portal.

If the application is approved, Sergei will have to apply for a visa under the StartUp Visa Programme through the Portuguese consular services platform (<https://www.vistos.mne.pt/pt/pedido-de-visto/solicitar-pedido-de-visto>).

After the visa is granted and he enters the national territory, he will request the respective residence permit from the Immigration and Borders Service, for which he must book a prior appointment through the Contact Centre.

Other workers will have to come under the normal scheme of visa and residence permit to work.

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

Auri may apply for a residence permit to set up the mentioned company (Article 122 (1) (p) of the Immigration Law) with the Immigration and Borders Service, for which she must book a prior appointment through the Contact Centre.

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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:

Specific measures for attracting third-country nationals in this area derive from the StartUp Visa, Tech Visa and *Espaço Empresa* Programmes for StartUp - Fast Track to Land in Portugal (bilingual customer support providing information).

It should be noted that the National Entrepreneurship Strategy has a comprehensive and non-exclusive perspective for attracting foreign investors. In other words, StartUp Visa, StartUp Tech and *Espaço Empresa* measures for StartUp are part of a broad set of measures for the development of an entrepreneurship-friendly environment in Portugal.

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: **Certified incubators**

All relevant actors are involved in the National Entrepreneurship Strategy.

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:

The Startup Portugal – Portuguese Association for the Promotion of Entrepreneurship (SPAPPE - Decree-Law No. 33/2019 of 4 March) – was created with a view to *developing activities of public interest in the promotion of value-added, innovation-based entrepreneurship, in close liaison with public and private entities operating in the national entrepreneurship ecosystem.*

The most relevant public entities are IAPMEI - Agency for Competitiveness and Innovation, Turismo de Portugal and AICEP (Business Development Agency). The role of institutional (banks and financial entities) and informal (business angels) financial entities is also notable.

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

Rights	Brief description of the rights granted
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Facilitation to access permanent residence	The rights are identical to other schemes and the individual must have a residence permit valid for at least five years.
Access to employment	The rights are identical to other schemes and provide access to the labour market under the terms of the current labour law
Possibility to be accompanied by family members	The rights are identical to other schemes, providing the right to family reunification under the legal requirements
Family members allowed to access the labour market	The rights are identical to other schemes, and non-dependent family members are able to perform professional activities.
Other rights (please specify)	

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

Measure	Brief description of the measure	Are the attraction measures campaign-like or permanent measures?	Who implements the measure? (state, private sector, in cooperation etc)	Applies to:	
				TCNs only	General
Facilitations for admission; <i>If yes, please explain what they entail (shortened processing time, reduced documentary requirements etc.)</i>	StartUp Visa and Tech Visa	Permanent	State		
Access to special funding and investments (e.g. micro-loans)	ADN Startup: Support business start-ups and new business development by small businesses early in their life cycle through bank financing with mutual guarantee (https://www.spgm.pt/fotos/produtos_documentos/documento_de_divulgacao_adn_2018_start_up_v2_spgm_13361270635bacb10d1dbdc.pdf) Energy Challenge: financing technology-based startups to develop innovative ideas and projects in the energy sector Capital + aceleração: Financing line in equity operations to accelerate startup growth	Permanent	Cooperation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Co-working and dedicated spaces (facilities for shared use of start-ups/businesses)	OPEN KITCHEN LABS: availability of facilities and equipment in a network of 12 Tourism Schools for startups wishing to test their products, services and concepts in the restaurant area Incubators, accelerators among others	Permanent	Cooperation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Access to incubation/accelerator support programmes	METRO Accelerator for Hospitality powered by Techstars: launch of an international acceleration programme with Techstars, focused on technology use in the tourism sector	Campaign-like		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax incentives (benefits, reductions, exemptions, etc.)	KEEP – Key Employee Engagement Programme: tax incentive to encourage talent retention in technology companies in business for less than 6 years, resulting in the	Campaign-like		<input type="checkbox"/>	<input checked="" type="checkbox"/>

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Measure	Brief description of the measure	Are the attraction measures campaign-like or permanent measures?	Who implements the measure? (state, private sector, in cooperation etc)	Applies to:	
				TCNs only	General
	exemption from taxation of earnings arising from shareholdings of the company earned by employees through a wage premium or individual acquisition.				
Consultation services/facilitators help in networking/accessing networks	STARTUP HUB: Digital platform for mapping startups and incubators PITCH VOUCHER: Programme that aims, through the Startup Hub platform, to promote relationships between entrepreneurs and large companies.	Permanent		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Training programmes for start-ups	Entrepreneur Training: Courses for entrepreneurs and their teams, co-financed up to 90%, seeking to cover 1200 trainees	Campaign-like		<input type="checkbox"/>	<input type="checkbox"/>
Financial support to cover administrative and/or staff costs	StartUp Voucher: Provision of technical and financial tools for the creation of new innovation-based companies by entrepreneurs with ages between 18 and 35	Campaign-like		<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)

All measures included in the National Entrepreneurship Strategy are available to third country nationals who are in Portugal and want to develop a startup.

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:*

Campaigns within the scope of the promotion of StartUp Portugal and its programmes, both within borders and abroad (Internationalisation Missions - *Missions Abroad*)

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:

The designation of the National Strategy for Entrepreneurship as “StartUp Portugal”, and the assignation of some programmes with the StartUp flagship brand attached: StartUp Visa, StartUp Voucher, StartUp Hub or ADM-StartUp Line, as well as development of a logo and an internet-based communication policy (<http://startupportugal.com/>).



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:

Reinforcing the international visibility of the Portuguese ecosystem, in particular via the widespread development of incubators in Portuguese cities and the consequent increase in the number of startups, the promotion of one of the most relevant technological entrepreneurship events worldwide (WebSummit), along with a political, economic and social commitment to entrepreneurship, represent positive factors for attracting entrepreneurs. (Note: Ministry of Economy on the National Entrepreneurship Strategy – 2 years of StartUP Portugal; July 2018).

Culture. If yes, please elaborate:

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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) 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).*

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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:

Visas may be extended for 90 days and residence permits may be renewed consecutively for a period of 2 years (see 13e.).

a permanent residence. Please describe:

Permanent residence permits – general scheme – have no expiry date and only have to be renewed every five years.

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

To renew your residence permit you need:

- Passport or other valid travel document;
- Proof of means of subsistence;
- Proof of accommodation;
- Request to check the Portuguese criminal record by SEF;
- IAPMEI Certificate demonstrating the preservation of an incubator contract with a certified incubator.

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

Yes, by checking the preservation of the incubation contract with a certified incubator.

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':

The legal scheme has no established procedure regarding the transition from entrepreneur to business owner. A self-employed activity scheme shall apply to entrepreneurs, since both schemes are part of the same framework, or it may promote a change of status according to the new situation within national territory. The criteria by which the business initiative is no longer considered a start-up are not established.

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- 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 the event that a business initiative fails, the third-country national may remain within national territory if a change of status is possible due to the new situation within national territory.

- Their business plan changes after approval:

If the incubation contract with a certified incubator is preserved, the entrepreneur maintains the status.

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

Q25b. Do you have any information or statistics on the **misuse of migratory pathways**¹⁹ 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?

¹⁹ 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.

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

Portugal develops a National Strategy for Entrepreneurship - StartUP Portugal, whose measures focus on the development of the Ecosystem, Financing and Internationalisation.

StartUP Portugal comprises a set of measures aimed at attracting third-country nationals to develop their start-ups, such as the StartUP Visa Programme and the Tech Visa Programme.

As this is a broad-ranging public policy initiative (economy, territory, energy, tourism, immigration, financial), it was only started in 2016, so the evidence and results achieved have not yet been consolidated.

The Portuguese study focuses on the impact its having on migratory schemes, which is proving to be relevant towards the national immigration scheme, the adoption of concrete definitions of , *start-up entrepreneur* concepts, as well as to predict a scheme applicable for failed business initiatives.

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
