

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;
- 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;

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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- 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?
- 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?

⁴ Available at: <https://ec.europa.eu/docsroom/documents/12229/attachments/1/translations/en/renditions/native>

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- 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 startup founders, EMN Estonia. Accessible: <http://emn.ee/wp-content/uploads/2016/10/nr12.pdf>
- EMN (2015): Changes in immigration status and purpose of stay: an overview of EU Member States approaches. Accessible: https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/networks/european_migration_network/reports/docs/emn-studies/emn-studies-00.emn_study_on_the_change_of_status_final.pdf
- 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-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>

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- 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>

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;

'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)

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

'Hub': see 'Entrepreneurial ecosystem' above

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

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

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

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

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

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

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

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

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

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

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

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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
- ★ EE EMN NCP: Barbara Orloff barbara.orloff@tlu.ee
- ★ ES EMN NCP: Gladys Roy gladys.roy@mitramiss.es
- ★ FI EMN NCP: Johanna Väänänen johanna.vaananen@migri.fi, Rafael Bärlund Rafael.Barlund@migri.fi
- ★ FR EMN NCP: Anne-Cécile Jarasse anne-cecile.jarasse@interieur.gouv.fr
- ★ LT EMN NCP: Audra Sipaviciene audra@iom.lt and Aurelija Makauskiene aurelija@iom.lt
- ★ LU EMN NCP: Nicolas Coda nicolas.coda@uni.lu; Adolfo Sommarribas adolfo.sommarribas@uni.lu
- ★ LV EMN NCP: Ilze Silina-Osmane ilze.silina-osmane@pmlp.gov.lv
- ★ PL EMN NCP: Marcin Wrona Marcin.Wrona@mswia.gov.pl
- ★ SE EMN NCP: Jonas Hols jonas.hols@migrationsverket.se
- ★ 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:

Since 2012, the Italian legal system reserved attention to the institution of start-ups. In fact, the Law Decree no. 179/ 2012 ("Further urgent measures for the growth of the country") introduced specific measures to encourage the birth and development of a new type of enterprise: the innovative start-up. The incentives provided by the decree covers every phases of the company's life and includes the reduction of start-up costs, easier access to credit, a simplified bankruptcy procedure (fail-fast) in the event of failure, and the possibility of retaining most of the benefits - moving to the status of innovative SME - if the "startup" phase is successfully passed.

Among the most recent national measures to support start-ups, we should mention the National Innovation Fund (NIF), an elective financial instrument for direct or indirect investments with the aim to acquire qualified minorities of the start-ups capital, scale ups and innovative SMEs, presented by the Ministry of Economic Development in March 2019.

With reference to the attraction of citizens from third countries who want to establish a start-up, Italy is at the forefront. In June 2014, the "Italia Startup Visa" (ISV) programme was launched, as a result of a collaboration between the Ministry of the Interior, the Ministry of Economic Development (MISE) and the Ministry of Foreign Affairs and International Cooperation (MAECI). The aim of the programme is to simplify the procedure for granting self-employment visas for non-EU talents wishing to start an innovative start-up in Italy. The process to obtain the visa is fully digitalized, can be conducted in English and the procedure leading to the issuance of the visa clearance is completely centralized.

Recognising that retaining innovative foreign talents is as important as promoting their attraction, alongside the possibility of renewing the start-up visa, the desire to internationalise the Italian ecosystem of innovative entrepreneurship has subsequently led to the launch of a new government policy initiative. Launched in December 2014, the Italia Startup Hub program (<http://italiastartuphub.mise.gov.it/>) has extended the procedural simplifications introduced for ISVs to the conversion of residence permits, for non-EU citizens already residing in Italy who intend to extend their stay to start an innovative startup.

Among the main incentives to create an innovative start-up in Italy, we mention the best known legislative provisions of the "start-up": the "Italian Startup Act" (ISA) (Law Decree - 179/2012). This decree describes the online method of constitution, the incentives for investors, the simplified access to the Guarantee Fund for SMEs and the Smart&Start tool - established by the Ministry of Economic Development and reserved for innovative start-ups located throughout the country - which finances projects providing spending programs whose amount is between 100 thousand and 1.5 million euros. These programs can be used to

⁹ Replace highlighted text with your Member State name here.

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purchase goods, making investments investment and covering business management costs including the presence of co-working spaces throughout the Italian territory and the promotion of initiatives at regional, university and private level, to promote the acceleration and incubation of business.

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 Law Decree no. 179/2012 ("Further urgent measures for the growth of the country") contains (articles 25 to 32 (section IX)) specific measures to encourage the creation and development of a new type of enterprise, recognised for the first time by the Italian legal system: the innovative start-up. Following the parliamentary procedure, the "Italian Startup Act" (ISA) was definitively approved with amendments by Law no. 221 of 17 December 2012.

The Law Decree 179/2012 provides a structured framework that drastically changes the legal context within which the new innovative Italian companies operate. The benefits affect the entire life cycle of the company: the start-up phase, with a significant reduction in costs due to the new online and free of charge constitution growth, with easier access to bank credit thanks to the Guarantee Fund for SMEs and significant tax incentives (equal to 30%) for investors in equity; maturity, with a simplified bankruptcy procedure (fail-fast) in case of failure, and the ability to retain most of the benefits - passing to the status of innovative SME - if the phase of "startup" is successfully passed.

The Law Decree no. 3/2015 (Investment Compact) has assigned a large part of the measures already planned in favor of innovative start-ups to a much wider range of companies: innovative SMEs, ie all small and medium enterprises that operate in the field of technological innovation, regardless of the date of incorporation, the business purpose and the level of maturity¹⁰.

The Decree of the Minister of Economic Development of 17 February 2016 allows electronic signature for drafting contracts of limited liability companies, whose exclusive or predominant purpose is the development, production and marketing of innovative products or services of high technological value for which registration in the special section of start-ups is required pursuant to art. 25, paragraph 8, of Law 179/2012.

Moreover, from June 22, 2017, pursuant to the Decree of the Minister of Economic Development of October 28, 2016, and the subsequent Directors' Decree of May 4, 2017, innovative start-ups set up online may also use a dedicated web based platform to modify their articles of association or statutes.

Among the most recent important policies to support the establishment of start-ups and innovative SMEs, the National Innovation Fund (NIF) was set up on the initiative of the Minister for Economic Development and Labour and was presented in Turin on 4 March 2019. The FNI has an initial budget, provided for in the 2019 Budget Law, of approximately 1 billion euro and will be managed by the *Cassa Depositi e Prestiti* (Deposit and Loan Bank), through a control room whose main aim is to gather and expand public and private resources dedicated to the strategic theme of innovation.

The National Innovation Fund is a multi-fund entity (SGR) that operates exclusively through Venture Capital methodologies. It is the financial instrument of choice for direct or indirect investments to acquire qualified minorities of the capital of startups, scaleups and innovative SMEs. Investments are made by the individual FNI Funds selectively, in accordance with the best practices in the sector, according to their ability to generate impact and value for both the investments and the national economy. Selectivity, flexibility and speed of investment are the elements that make Venture Capital the key market instrument for the development of innovation, as well as the best way to align the interests of investors and entrepreneurs towards the common goal of economic growth.

¹⁰ Cfr. <https://www.mise.gov.it/index.php/it/impresa/piccole-e-medie-imprese/pmi-innovative>

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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: See Q1a

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:

Law Decree 179/2012 on "Further urgent measures for the growth of the country", converted with amendments by Law no. 221/2012, introduced into the Italian legislative landscape a comprehensive framework to encourage the creation and growth of new innovative enterprises (startups).

Article 25 of the above-mentioned decree defines an innovative start-up as a joint-stock company, also incorporated as a cooperative, under Italian law or Societas Europaea (SE), whose shares or quotas are not listed on a regulated market or on a multilateral trading system. They include, therefore, both the SRL¹¹ (including the new form of simplified limited liability company or reduced capital company), as well as the companies limited by shares, the limited partnerships limited by shares, and the cooperative societies.

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

No

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

Please describe briefly¹²:

An "innovative startup" is a new company whose business model is characterized by a strong component of technological innovation. According to the provisions of the law (Decree Law 179/2012, art. 25, paragraph 2), an innovative start-up is a company with share capital, also incorporated as a cooperative, unlisted, meeting the following requirements:

- a) it is newly established or has been incorporated for less than 5 years;
- b) has its head office in Italy, or in another member country of the European Union or in States party to the Agreement on the European Economic Area, provided that it has a production facility or branch in Italy;
- c) has an annual turnover lower than 5 million euros;
- d) does not distribute and has not distributed profits;
- e); Its mission statement (oggetto sociale) concerns, predominantly or exclusively, the development, production, and commercialization of innovative products or services with a clear technological component;
- f) it is not the result of a company merger or split-up, or of a business or branch transfer;
- (g) finally, the innovative content of the business is identified by the possession of at least one of the following criteria:
 - A 15% quota of the higher value between turnover and annual costs is attributable to research and development activities;
 - the total workforce is made up of at least 1/3 of PhD students, PhD students or researchers, or at least 2/3 of the team in possession of a master's degree;

¹¹ Limited liability companies

¹² 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 company is the owner, or licensee of a registered patent. (or it has filed an application for an industrial property right) or it owns an original registered software.

It should be noted that the definition is sector independent: in fact, a company that meets the above requirements can operate in all economic sectors.

An "innovative startup" benefits by default from several legal facilitations (waivers from standard regulations, tax incentives, credit guarantee facilities, and more), mostly set out by d.l. 179/2012 itself (artt. 26-31), which will be more thoroughly described later in this document.

A company that meets the aforementioned requirements can obtain the innovative startup status by registering into a special section of the Business Register (d.l. 179/2012, art. 25, paragraph 8).

The registration is free of charge and fully voluntary: a company that meets the requirements but is uninterested in the special status has no obligation to apply. It takes place by sending a self-certification of compliance with requirements to the local Chamber of Commerce (art. 25, paragraph 9).

Startup-specific benefits apply the date of registration in the special section, and they may be maintained, if all other requirements are met, up to the fifth year since incorporation.

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

Startups in Italy can be incorporated in two different ways. An entrepreneur can draw up their founding acts with the qualified assistance of a notary: this is the standard procedure foreseen for limited companies under the Italian law.

The alternative is to carry the entire procedure online, on a web portal set up for the purpose. This method, only available for innovative startups as defined at Q3a, has been operational since 20 July 2016, and is disciplined by the Decree of the Minister of Economic Development of 17/02/2016). It represents a disruptive innovation within the Italian company law, as the principle of incorporation via public (i.e. notarised) act had been previously unchallenged.

In short, companies that hold the legal requirement identifying innovative startups are allowed to draw up their deeds of incorporation, i.e. the memorandum of association (atto costitutivo) and the company by-laws (statuto), by using a standard model, and validating their content with an electronic signature (as defined by art. 24 of the Digital Administration Code).

As a consequence, founders can establish their company entirely online, by means of a platform created by the Chambers of Commerce system. As an alternative, entrepreneurs can contact the AQI (Qualified Assistance for Businesses) office of the local Chamber of Commerce, which on scheduled appointment offers free assistance to users at all stages of the registration process. In accordance with the Ministerial Decree of 28 October 2016, startups can also use the same procedure for subsequent amendments of their incorporation acts.

The procedure described above is currently applicable only to startups established as limited liability companies (società a responsabilità limitata, "s.r.l.").

The procedure is as follows: first of all, there is the need to hold a PEC (certified e-mail system) referring to the new company, a digital signature and its own user profile, to be created by registering on the portal Company Register. Once the registration phase is completed there are two options: to start the procedure with the assistance of the Chamber of Commerce, Industry and Crafts (CCIAA) or without. The next step, relating to the actual procedure of incorporation, is the compilation of the items of the memorandum and articles of association. They must be indicated in the following order: date and place, at least one subscriber, name, registered office, share capital, contributions, closure of financial years, type of administration, expenses and taxes, attachments, applicant - or name, surname and tax code of the person who will provide for the tax registration of the model -, optional authentication (for any public official). For the statute, the following are added: object, duration, capital increase, financial instruments, shareholding in the share capital, transfer of shareholding, possible share of a deceased shareholder, management of withdrawal of a shareholder, possibility of exclusion of a shareholder, method of adoption of decisions of shareholders, including through quorum resolutions, notice in days of meetings of the Board of Directors, cases of dissolution of the company.

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If the procedure is undertaken without the assistance of the Chamber of Commerce, to effectively submit the request the following documents must be sent:

- the receipt of tax registration must be sent;
- the memorandum and articles of association;
- statements certifying possession of the requirements and any other documents.

In case of a positive or negative result, the Chamber of Commerce will contact the user to complete the last procedures or request corrections.¹³

The costs connected with the digital incorporation procedure are significantly lower than those foreseen by regular incorporation via notarized act. For incorporation via Chamber of Commerce only costs applied are those relating to tax registration of acts to the Revenue Agency involves, i.e. 200 euros. If no assistance of the Chamber of Commerce is requested, the entrepreneur must also pay a stamp duty, equal to €0.16 per each line of the incorporation acts.

The standard procedure comports a significantly higher financial burden: a survey by MISE ([Annual report on the Italian Startup Act, 2016](#)) assessed the average cost for incorporating a startup at around €2 000 per procedure, most of which are to be directly referred to notarial compensation. As an alternative, startups can choose to be incorporated in the SRLS company form (*società a responsabilità limitata semplificata*), for which notaries are legally forbidden to charge costs for entrepreneurs. However, the SRLS company form entails very reduced flexibility in term of personalization of founding acts, and is used only by a tiny (and dwindling) minority of innovative startups – according to MISE, [Annual Report on the Italian Startup Act, 2017](#), about 13.5% of all companies registered at 30 June 2017.

The following table briefly summarizes the main features of the procedure without notarial act.

Online procedure steps	With assistance of the Chamber of Commerce	Without the assistance of the Chamber of Commerce
Necessary legislative competences	Low expenditures	Higher expenditures
Statute and constitution act examination	Chamber of commerce	Startupper
Registration to the Revenue Agency	200 euros	200 euros plus variable stamp costs (16 euros every 100 pages)
Appointments in the Chamber of Commerce	At least 1	At least 1
Time stamp purchase	no	yes
Sending of the documentation to the Register of Enterprises	Chamber of commerce	Startupper
Necessary days for the enrollment into the Registry of Enterprises	1	10 days
Enrollment into the special section	At the time of enrollment into the Registry of Enterprises	After the enrollment into the Registry of Enterprises

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:

At the territorial level, there are variations with respect to the average waiting time between the date of establishment of the company and the release of the innovative startup status. In fact, while the standard deed and statute allow the establishment to take place immediately, entry into the special section of the

¹³ Cfr. <https://startupitalia.eu/90324-20180509-startup-innovativa-ma-quanto-mi-costi>

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Companies Register requires a verification by the competent CCIAA on the effective possession of the necessary requirements defined by the Law Decree no 179/2012. On average, an innovative startup set up online waits 30 days to be effectively registered in the special section of innovative startups: a waiting time reduced to 25.1 days for companies set up in 2018. In some territories, however, average waiting times have so far proved to be markedly shorter. In eight provinces all the start-ups established online in 2018 obtained their special status on the same day of their constitution; in two of them, Pesaro-Urbino and Mantua, more than 5 start-ups have been created. The cases of Verona and Potenza are also worth mentioning, with a considerable number of constitution procedures (24 and 13 respectively in the last year) with average waiting times of less than a day; also in Bergamo (27 constitutions) and Padua (35 constitutions) the procedures are usually concluded on average in less than a week. On the contrary, very long waiting times can be observed in Naples (185 days), Ancona (143 days) and in numerous provinces of Sicily, with Catania and Messina over 120 days and some less representative provinces even further back.¹⁴.

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

If the procedure for setting up the start-up is performed online, the tax registration of the acts to the Revenue Agency varies depending on the procedure chosen: 200 euros if you choose to carry out the procedure with the assistance of the Chamber of Commerce, 200 euros + variable stamp -16 euros for every 100 lines used - without assistance from the Chamber of Commerce. If, on the other hand, a notary is consulted, the costs range between 1000 and 2000 euros.¹⁵.

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:

An evaluation of the ISA was made by the OECD in 2018¹⁶. With respect to the economic environment for startups in Italy, the general message is that the impact of the policy on beneficiary firms has been clearly positive, but that an effective policy in favour of start-ups is not a sufficient condition in itself for the success of innovative small businesses. "Horizontal" structural reforms are also needed to benefit the entire economy, such as improving the efficiency of civil justice (and the public sector in general) and fighting corruption and tax evasion, which would have disproportionately positive effect on innovative start-ups. The need for synergic policy action is rooted on some specific weaknesses of the startup ecosystem, such as the scarcity of venture capital investments and the weakness of the domestic end-market for innovative goods and services¹⁷.

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

Yes. Please describe:

The Italian ecosystem is rich in favorable elements for the establishment of new businesses. The Law Decree 179/2012 provides an articulated framework for innovative start-ups related to the start-up phases, with a significant reduction in costs due to the online and free of charge constitution, growth, with easy access to bank credit thanks to the Guarantee Fund for SMEs and significant tax incentives (equal to 30%) for investors in equity, in the maturity phase with a simplified bankruptcy procedure (fail-fast) in the event of failure, and the possibility of retaining most of the benefits - by moving to the status of innovative SME - if the start-up phase is successfully completed. To cite some examples of the availability of financing mechanisms at national level, we have cited the National Innovation Fund, which aims to acquire qualified minorities of the capital of start-ups, scale-ups and innovative SMEs (See Q1a). In 2018, Indaco Venture Partners SGR was created, an asset management company that will manage the Indaco Ventures I Fund, with a total funding target of over 200 million euros, of which the first 130 million subscribed by May 1, 2018. Indaco Venture Partners involves a team of managers with long and successful experience in Venture Capital, the Cariplo Foundation and the Intesa Sanpaolo Group and aims to create the first Italian company in the sector to be able to compete at European level. The Fund

¹⁴ Cfr. http://www.bollettinoadapt.it/wp-content/uploads/2019/02/10-rapporto-nuova-modalita-costituzione-startup-Q4-2018-04_02_2019.pdf

¹⁵ Cfr. <https://startupitalia.eu/90324-20180509-startup-innovativa-ma-quanto-mi-costi>

¹⁶ Cfr. https://www.oecd-ilibrary.org/industry-and-services/the-evaluation-of-the-italian-start-up-act_02ab0eb7-en

¹⁷ Cfr. <http://romastartup.it/Data/Sites/1/media/docs/ocse-la-valutazione-dello-startup-act-italiano-ita.pdf>

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will invest in 20-30 companies, mainly startups late stage, active in the following key sectors: digital, electronics and robotics, medtech and new materials. No less important is the presence of certified incubators of innovative start-up companies, defined by Law Decree no. 179 of 18 October 2012 as a capital company, also established as a cooperative, under Italian law or a Societas Europaea (SE), resident in Italy, which offers services to support the birth and development of innovative start-ups.

The certified incubator of innovative start-ups must meet the following requirements:

- has facilities, including real estate, suitable to accommodate innovative start-ups, such as reserved spaces to install test equipment, testing, verification or research;
- has equipment suitable for the activity of innovative start-ups, such as ultra-wideband access systems to the Internet, meeting rooms, machinery for testing, testing or prototyping;
- is administered or managed by people of recognized expertise in business and innovation and has a permanent technical structure and management consulting;
- has regular collaborative relationships with universities, research centres, public institutions and financial partners that carry out activities and projects related to innovative start-ups;
- has adequate and proven experience in supporting innovative start-ups¹⁸.

No, there are no major entrepreneurial hubs and ecosystems.

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

The presence of an ecosystem favourable to the development of innovative start-ups is a peculiar feature of many Italian regions. To cite a few examples, in May 2019, the Lombardy Regional Council, at the proposal of the Councillor for Economic Development, allocated 16 million euro to the Lombard start-ups, divided into two measures: 'Measure A' for start-up plans: 6 million euro; 'Measure B' for consolidation plans: 10 million euro. The aim of the measure is to encourage and stimulate Lombardy's entrepreneurship through support for the start-up and consolidation of new businesses or professionals. It is aimed at micro and small medium enterprises and professionals. It consists of two measures. The first is aimed at projects making the first investments (tangible and intangible) necessary for the start-up of the business or professional activity and the phases of initial operation. The second is for projects necessary to consolidate and expand business or professional activities. The financing is non-repayable for an aid intensity: for 'Measure A' equal to 40 per cent of the eligible investment with a maximum contribution of 50 thousand euro against a minimum investment of 30 thousand euro; for 'Measure B' equal to 50 per cent of the eligible investment with a maximum contribution of 75 thousand euro against a minimum investment of 40 thousand euro. The projects, based on their respective strategies, may be submitted by entities carrying out all economic activities excluding companies operating in the agriculture, forestry and fishing sectors and companies whose activities are mostly related to the 'Housing' sector.¹⁹

The Lazio region is also configured as a start up friendly. The Lazio Startup Programme aims, in fact, to make the region a big European ecosystem for startups and innovation. The region has allocated 100 million of the regional and European programming 2014-2020 to this initiative. In this context, the 20 million euros allocated for pre-seed interventions, aimed at encouraging the creation of new companies and the implementation of spin-offs from research towards the creation of companies, through grants or non-repayable grants, are particularly important. Info on: www.bicilazio.it

Another initiative of the Lazio region is the *Lazio Innovatore* portal dedicated to innovators. The platform, is realized with European funds to offer visibility to innovators and to all actors that contribute to the development of the world of startups as Partners, Incubators, Co-working, Accelerators and Investors. www.lazioinnovatore.it²⁰

In Emilia-Romagna, then, the network of actors and tools that promote the birth and growth of innovative start-ups is composed of public and private entities, and is coordinated by the portal Emilia-

¹⁸ Cfr. <http://www.fe.camcom.it/attivitaistituzionali/registro-imprese/start-up/start-up>

¹⁹ Cfr. <http://www.regione.lombardia.it/wps/portal/istituzionale/HP/lombardia-notizie/DettaglioNews/2019/05-maggio/6-12/economia-mattinzoli-da-giunta-16-milioni-alle-start-up-lombarde>

²⁰ Cfr. <http://www.regione.lazio.it/rl/generazioni/startup-lazio/>

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RomagnaStartup. Most of them provide support to companies active in all sectors; Some of them specifically support companies operating in the ICT, Creative Industries and Design sector (which is the main sector of activity of regional startups). As far as the geographical location is concerned, about one third of them are based in Bologna, while the rest are evenly distributed among the other regional provinces. The other innovation networks are fundamental for sustaining the entire ecosystem and they constitute the main strength of regional innovation policies:

- the network of industrial research and technology transfer laboratories (the High Technology Network), aimed at constituting a single infrastructure for the circulation of scientific and technological knowledge in support of innovation at regional level;
- the Tecnopoli network, 10 infrastructures located in the Emilia-Romagna territory that host and organize activities and services for industrial research (they host the laboratories of the High Technology Network), experimental development and technology transfer and constitute an indispensable set of physical places whose main vocation is to connect and transfer the different innovation processes;
- the network of the Digital Manufacturing in Emilia-Romagna, whose main task is to coordinate the activities of the fab labs present in the region²¹.

The Emilia-Romagna Region has defined a model of intervention to support business creation based on the specific needs of business ideas in their three main phases of development - start-up, consolidation and scale-up/internationalization. This model has allowed, during the different programming phases, to define the most suitable set of services (or a combination of them) to meet the needs expressed by the beneficiaries of the various support programmes.

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 activities²².

Even though the regulations on startups are open to all economic sectors, there is a considerable concentration in sectors with a clear technological vocation. 34% of innovative startups present the Ateco code²³ "software production", and 13% "research and development". In the two segments mentioned, start-ups represent respectively one and two thirds of the total population of newly established companies. The manufacturing sector is also well represented, with 19% of startups (5% of the total number of new joint stock companies).²⁴

²¹ <https://fesr.regione.emilia-romagna.it/por-fesr/documenti/documenti-regionali-quaderni-azioni-integrate/emilia-romagna-per-accelerazione-start-up>

²² <https://ec.europa.eu/eurostat/documents/3859598/5902521/KS-RA-07-015-EN.PDF/dd5443f5-b886-40e4-920d-9df03590ff91?version=1.0>

²³ The ATECO is an alphanumeric code used to identify an economic activity. It is essentially the Italian equivalent of the European standard, NACE.

²⁴ <https://www.mise.gov.it/index.php/it/198-notizie-stampa/2039166-startup-innovative-i-dati-chiave-a-fine-2018>

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: See Q7b

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 "Italia Startup Visa" programme launched in June 2014 to simplify the self-employment visa procedure for non-EU talent wishing to start an innovative start-up in Italy can be summarized in the following points:

- the path is entirely digitized: the candidate can send his documentation exclusively by ordinary e-mail, to the address italiastartupvisa@mise.gov.it

- the process can be carried out entirely in English: application forms, guidelines and "customer care" services, as well as the program's own website, are all offered in this language, to facilitate those who do not have a sufficient knowledge of Italian;

- the procedure leading to the issue of the visa authorisation is completely centralised: a single administration (the MISE, specifically the Directorate-General for Industrial Policy, Competitiveness and SMEs, through the Programme Secretariat) manages all the necessary communications with the administrations involved (Police Headquarters, diplomatic-consular offices) and acts as the sole interlocutor for visa applicants;

- it takes place quickly: the visa authorisation is normally issued within 30 days of the official submission of the application.

Without prejudice to these important peculiarities, Italia Startup Visa is included in the ordinary category of self-employment visa, and is therefore subject to the general provisions applicable in this regard: in particular, art. 26 of the Consolidated Act on Immigration (TUI), art. 39 of Presidential Decree 394/99, and Interministerial Decree no. 850/2011.²⁵

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

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:

In the face of increasingly integrated markets and increasingly fierce international competition, to be competitive, an ecosystem must be "global" to all intents and purposes, starting with the people who make it up. Since the granting of an entry visa is an essential step to allow a free flow of talent and skills, administrative procedures can be a significant obstacle to the mobility of innovative

²⁵ Cfr.

http://italiastartupvisa.mise.gov.it/media/documents/Linee%20Guida%20ISV%20ITA%2020_03_2018%20def.pdf

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entrepreneurs: the Italia Startup Visa program addresses this problem, introducing a bilingual, digital, centralized and accelerated procedure.

The Italia Startup Visa is inspired by a proposal contained in the Destination Italy plan: the strategy launched by the Government at the end of 2013 to attract foreign investment and promote the competitiveness of Italian companies. Measure no. 44, "Visas as an instrument of attraction", states: "Visas are a strategic lever for attracting and retaining talent and innovation and should be used as an incentive to entry, especially for investors, students, researchers and, more generally, highly qualified workers. The streamlining of visa issuing procedures is a priority, in compliance with the Schengen System, to make Italy a country that welcomes flows of qualified mobility", also providing a specific case of "startup" visa for those who choose to set up a new innovative company in Italy. These directives were transposed by the Government with the Decree of the President of the Council of Ministers of 25 November 2013, concerning the "Transitional planning of entry flows of non-EU workers for non-seasonal work in the territory of the State for the year 2013". (the so-called "Flows Decree 2013"), which provided for a new case of entry into Italy for reasons of self-employment, concerning "foreign citizens [who intend to set up] "innovative start-up companies" pursuant to Law no. 221 of 17 December 2012, in the presence of the requirements provided for by the same law and in favour of whom an employment relationship of an autonomous nature with the company can be traced" (art. 3). This provision was then renewed, in the same forms, in all the subsequent annual Flow Decrees issued by the President of the Council of Ministers.

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

The program, known as "Italia Startup Visa", entered its operational phase with the publication, in June 2014, of the institutional website italiastartupvisa.mise.gov.it and the first version of the related Guidelines, the result of collaboration between the Ministry of Economic Development (MISE), the Ministry of Foreign Affairs and International Cooperation (MAECI) and the Ministry of the Interior²⁶.

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

The procedures for legal entry for business purposes (which also includes the specific profile of opening a start-up) are governed by the annual flows decree "Transitional planning of entry flows of non-EU workers for non-seasonal work in the territory of the State".

Before the approval of the Italia Start-up Visa, the entry into the country for business purposes included the following categories:

- Foreign investor;
- Foreign company owner;
- Foreigner with entrepreneurial purposes "other" (other business person)

Starting from 2013, the Annual Flows Decree has provided for a new case of entry into Italy for reasons of self-employment, concerning "foreign citizens who intend to set up companies classified as "innovative start-ups" under Law No. 221 of 17 December 2012, and for whom an employment relationship of an autonomous nature with the company is attributable" (art. 3). This provision was then renewed, in the same forms, in all subsequent annual Flow Decrees. The Flows Decree 2019 allows the entry into Italy for reasons of self-employment of 2,400 non-EU citizens residing abroad belonging to various categories including foreign citizens who intend to set up "innovative start-ups".

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**?

- Yes, a special visa is in place to facilitate the immigration of start-up employees from third countries. Please explain:
- Yes, a special residence permit is in place to facilitate the immigration of start-up employees from third countries. Please explain:
- No. Please explain:

²⁶ Cfr. *Ibid.*

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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: N/A

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

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

Yes. Please explain:

No.

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

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

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 model²⁷, prior registration in the MS, etc)?

All applications for an entry visa for self-employment start up consist of three mandatory parts:

a. an application form containing:

1. personal details and contact information: date and place of birth, place of residence, personal and operational email address, telephone number and other useful contacts;
2. a brief description of the candidate's main academic and professional experience (curriculum vitae);
3. detailed information on the innovative startup project: idea and business model, type of product or service to be developed, innovative aspects from the technological point of view, relations with the Italian innovation ecosystem, reference markets, forecast of costs and revenues in the short to medium term (business plan); indication of the province and region in which the candidate intends

²⁷ "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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to settle, so as to allow the competent Police Headquarters the preliminary security check required by law (see point c., "Passport").

4. it is highly preferable that the description of the innovative start-up project is further specified by a "presentation deck", the short presentation typically used by start-ups to describe the business model that the company intends to pursue, the characteristics of its innovation and its growth potential to investors and by a "business plan" that includes detailed estimates of costs and revenues expected for the business project, with particular attention to the nature of research and development activities.

b. a certificate of availability of financial resources of not less than 50,000 euros, accompanied by documentary evidence;

c. a copy of a valid passport.

The candidate may submit the entire documentation in two languages, Italian and English.

The completed application form must be kept by the applicant in its original paper version with handwritten signature. This document must be presented to the diplomatic-consular representation when applying for a visa.

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:

Applications for the Italia Startup Visa program are sent exclusively by email, by the candidate or his/her representative, to the email address italiastartupvisa@mise.gov.it.

The mailbox is managed by the Secretariat of the Italia Startup Visa program (ISV Secretariat), whose functions are performed by the Division with responsibility for national policy in support of innovative start-ups, at the General Directorate for Industrial Policy, Competitiveness and SMEs of the MISE. The Secretariat acts as a link between the candidate and the ISV Committee, which is responsible for the evaluation of the documentation, manages communications with visa applicants and performs a formal check on the compliance of the documentation with the required standards. If the Secretariat considers, based on the preliminary check, that the documentation submitted is not complete enough to be the subject of an evaluation, a request for integration is sent to the applicant, suspending the procedure at the same time. If more than 60 days have elapsed since the request for integration without the non-EU citizen having submitted new material, the application is considered as "lapsed" for statistical purposes

After the preliminary check, the preliminary investigation phase continues with the sending of the documentation to the body responsible for the evaluation, the Italia Startup Visa Technical Committee (ISV Committee), composed of representatives of the main organizations of the national ecosystem of innovation.

The "Italy Startup Visa Technical Committee" was established on 24 March 2014 through the decree of the Director General for Industrial Policy of the Ministry of Economic Development and has the following tasks:

1. to certify the existence of the requirements in relation to the benchmarks required for new entries of non-EU foreign nationals for the establishment of innovative start-ups;
2. to make an objective assessment of the merits of the innovative startup projects submitted by the candidates
3. to obtain the provisional Certificate of No Impediment for the purposes of entry from the competent Police Headquarters for the territory in which the applicants intend to carry out their activity, through the Secretariat

The Committee, chaired by the Director General for Industrial Policy, Competitiveness and Small and Medium Enterprises of the MISE (or his delegate), is composed of representatives of recognized and qualified associations, at national level and - each with its own vocation sector - strongly linked to the ecosystem startup.

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1. As defined by the decree of the Director General for Industrial Policy of 27 February 2018, its members are: the Director General for Industrial Policy, Competitiveness and Small and Medium Enterprises of the MISE;
2. The Chairman of the Venture Capital Committee of the Italian Association of Private Equity and Venture Capital (AIFI);
3. President of the Association of Italian Science and Technology Parks (APSTI);
4. President of the Italian Association Informal Investors in Risk Capital/Italian Business Angel Network (IBAN);
5. The President of the University Research Valorization Network (NETVAL);
6. Il President of the Association of Italian Incubators and Academic Business Plan Competitions (PNICUBE).

The committee votes under the majority rule. If the committee express his favor for the presented imprenditorial project and the security control undertaken by the relevant Police Office is positive, the certificate of no impediment can be released.

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: See Q10
- Means of financing (e.g. bank statements). Please explain: See Q10
- Patents, trademarks, intellectual property. Please explain:

The innovative content of the enterprise is identified with the possession of at least one of the following three criteria:

- 15% of the higher value between turnover and annual costs is attributable to research and development activities;
- the total workforce is made up of at least 1/3 of PhD students, PhD students or researchers, or at least 2/3 of partners or collaborators in any capacity in possession of a master's degree;
- the company is the owner, custodian or licensee of a registered patent (industrial patent) or owner of an original registered computer program.

- Qualifications and diplomas of the start-up founder. Please explain: See Q10
- Evidence of registration in a national commerce register. Please explain: Linee guida del programma Start Up Visa²⁸ e nel Decreto flussi ai sensi di legge.
- Others. Please explain: See Q10

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 processing time shall not exceed 30 days starting from the date of the complete submission of documentation according to the law ²⁹.

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:

Within 30 days from the sending of the application, after the competent Police Headquarters has acquired certification of the absence of elements that prevent the entry into Italy of the visa applicant, the Committee informs the candidate of the result of the evaluation: in the event of a positive outcome, the

²⁸

Linee

Guida

http://italiastartupvisa.mise.gov.it/media/documents/Linee%20Guida%20ISV%20ITA%2020_03_2018%20def.pdf

²⁹ Cfr. EMN Ad-Hoc Query on AHQ on start-up policies for third-country nationals (part 1).

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candidate receives by e-mail a certificate of no impediment for the release to a self-employment visa to establish an innovative start-up (ISV Nulla Osta). Within three months from the sending of the ISV, the candidate presents himself to the Italian diplomatic-consular office competent for the territory to collect his start-up visa for self-employment, lasting one year. Within three months from the sending of the Certificate of no impediment, the candidate presents himself to the Italian diplomatic-consular office competent for the territory to collect his visa for self-employment startup, lasting one year. The documentation that the visa applicant must submit to the consular appointment is as follows:

1. the Certificate of no impediment granted by the "Italia Startup Visa" Technical Committee, together with the original copy of the entire documentation submitted to the said Committee;
2. demonstration of having suitable accommodation, including through hotel reservations or the availability of third parties;
3. proof of an income, acquired in the previous financial year in the country of residence, exceeding the minimum level required by law for exemption from participation in health care expenditure (approx. 8,500 euros) or a corresponding guarantee by Italian or foreign bodies or citizens legally residing in the territory of the State;
4. 4 passport photographs;
5. valid passport;
6. demonstration of residence in the consular district of reference.

Upon receipt of the visa application, including the above documentation, the diplomatic-consular missions shall carry out the relevant checks and shall issue, with all due dispatch, an entry visa for "startup self-employment", lasting one year, in accordance with the quotas provided for in the article of the Flows Decree valid for the reference year that regulates the number of entries for self-employment.

After having withdrawn their entry visa for startup self-employment, the non-EU citizen benefiting from the Italia Startup Visa program has 180 days to move to Italy and apply for a residence permit for self-employment of one year. The recipient of a startup visa is required to formally apply for the permit within eight days of entering Italy³⁰.

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

- Online. Please explain: See Q11a
- In person. Please explain: See Q11d
- Other. Please explain:

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

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

- Start-up founders. Please explain:

Citizens of non-EU countries who intend to set up an innovative startup on Italian territory as defined in art. 25, paragraph 2, of law decree 179/2012 can apply for an entry visa for self-employment startups. In setting up the company, the application can be supported, even financially, by certified incubators as per art. 25, paragraph 5 of the same decree.

The non-EU citizen sends to the address italiastartupvisa@mise.gov.it a filled application form (See Q10) and a certificate regarding the possession of a financial availability of not less than 50,000 euros, to be

³⁰ Cfr. Italia Startup Visa. Linee Guida 2018.

http://italiastartupvisa.mise.gov.it/media/documents/Linee%20Guida%20ISV%20ITA%2020_03_2018%20def.pdf

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used for the constitution of the new innovative startup, together with the passport. The form and the demonstration of financial resources can be completed in both Italian and English.

After the preliminary check, the preliminary phase continues with the submission of the documentation to the body responsible for the evaluation, the Technical Committee Italy Startup Visa (See Q11a). If the majority is in favour of the submitted business project, and the security check carried out by the competent Police Headquarters has given positive results, it is possible to issue the relevant Certificate of No Impediment, that the candidate receives by e-mail from the Committee. Within three months from the sending of the Nulla Osta, the candidate presents himself to the Italian diplomatic-consular office competent for the territory to collect his visa for self-employment startup, lasting one year.

La documentazione che il richiedente visto deve presentare all'appuntamento consolare è elencata al punto Q11d.

Start-up employees. Please explain:

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: To speed up the administrative procedure for the issue of residence permits, the foreign citizen is invited to inform the Committee Secretariat well in advance of the date on which, within eight working days of arrival in Italy, he or she will present himself or herself at the Police Headquarters for the application for a residence permit, which will be informed by the Secretariat. At this point, the Police Headquarters will collect the fingerprints and, at the end of the usual checks, will authorise the issue of the residence permit in card format.

The documentation that the applicant for a residence permit must submit to the appointment at the Immigration Office of the Police Headquarters is as follows:

- receipt of payment of the pre-printed postal bill for an amount of 30.46 euros for the printing of the electronic document (to be paid by post);
- receipt of payment of the pre-marked postal order for an amount of 50,00 euro as a contribution to the issue of the residence permit (to be paid by post);
- photocopy of the entire passport;
- two passport photographs;
- one stamp from 16,00 euro;
- documentation relating to accommodation in Italy.

- For other requirements related to the migration process, the recipients of startup visas are subject to the same discipline as for holders of visas (and residence permits) for self-employment:
- - the discipline for family reunification applicable is that ordinarily provided for by the TUI (Legislative Decree 286/1998, art. 29).
- - Like all residence permits holders with a duration of more than one year, the beneficiary of a startup visa is required to enter into an "integration agreement" with the authorities (Legislative Decree 286/1998, art. 4-bis, implemented by Presidential Decree 179/2011).
- - also with reference to health care for startup visa holders apply the current rules (Legislative Decree 286/1998, Articles. 35-36, DPR 394/1999, Chapter VI "Provisions on health")³¹.

Start-up employees. Please explain:

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

Start-up founders. Please explain: If Italia Startup Visa is aimed at those who are in their country of origin and want to obtain a visa for self-employment startup for Italy, Italia Startup Hub aims to facilitate the stay in our country of those who are already there, but for reasons other than business.

³¹ Cfr. Italia Startup Visa. Linee Guida 2018.

http://italiastartupvisa.mise.gov.it/media/documents/Linee%20Guida%20ISV%20ITA%2020_03_2018%20def.pdf

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For example, a non-EU student who is completing his course in Italy and wants to extend his stay to start an innovative startup, can obtain, in case his business proposal is evaluated favorably by the Committee of Experts coordinated by the MISE, the authorization to convert his residence permit into a new one for "self-employment in startup" in a very short time (no more than 20 days from the application) and without having to return to the country of origin to obtain a new entry visa. Once established, your company will enjoy the benefits provided by the policy on innovative start-ups³².

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: The residence permit for subordinate work, not seasonal, allows the exercise of self-employment subject to the acquisition of the qualification or authorization that may be required for the exercise of professional activity and if there are other requirements or conditions provided for by current legislation for the exercise of self-employment, as well as the exercise of work as a member of the cooperative worker.

Con il rinnovo, è rilasciato un nuovo permesso di soggiorno per l'attività effettivamente svolta³³.

No.

Q13. How is the application processed? Please explain:

Application procedure for TCN innovators who are in their home countries and wish to establish a start up in Italy: See Q11a, Q11d

Application procedure for TCN innovators who are already in Italy and wish to prolong their stay to establish an innovative startup:

Italia Startup Hub is dedicated to citizens from non-EU countries who are legally resident in Italy, and who intend to start, alone or in a team, an innovative startup on the Italian territory. To be eligible for the program, the applicant must demonstrate a financial availability for the purposes of the business project, whether personal or granted by third parties, of not less than 50,000 euros. Italia Startup Hub is aimed at holders of all types of residence permit for which it is possible to change the type ("conversion") during the period of validity or at the end of the term. These include

- a. residence permit for study purposes,
- b. Long-term resident's EC residence permit issued by another Member State of the European Union,
- c. residence permit for the purposes of scientific research,
- d. residence permit for paid employment,
- e. residence permit for investors (Article 26-bis of the Consolidated Act on Immigration),
- f. residence permit for family reasons.

Applications must be accompanied by the following documents:

1. Entrepreneurial project: application form, pitch deck presenting the main elements of the business activity, business plan
2. Financial resources: a signed letter attesting to the availability of financial resources for not less than EUR 50 000, to be invested over time in the business of the enterprise, Documentary sources attesting to the declared financial availability
3. Identity documents: a copy of a valid passport, a copy of the valid residence permit currently in the applicant's possession

³² Cfr. <https://www.mise.gov.it/index.php/it/per-i-media/notizie/2034461-italia-startup-hub-online-il-nuovo-portale-per-favorire-la-permanenza-in-italia-di-innovatori-non-ue>

³³ Cfr. https://www.portaleimmigrazione.it/APR_PDS_Lavoro_Subordinato.aspx

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Applications must be sent to the following e-mail address: italiastartuphub@mise.gov.it. The documentation may be completed in Italian or English. The contact between the administration and the applicant (including his/her representatives) will be in the language in which the application form was completed. Clearance applications are evaluated by a group of experts, the Italia Startup Visa Technical Committee. The merit assessment of the applications, which follows the same criteria as for the startup visa (see section "Phase 2: Evaluation" of the ISV Guidelines), is administratively coordinated by the Committee Secretariat. In the event of a positive opinion by a majority of the Committee members, the MISE DG for Industrial Policy, in its capacity as Chairman of the Committee, will issue a nulla osta authorising the conversion/updating of the residence permit.

The digitally signed authorisation is sent to the visa applicant by ordinary electronic mail.

Depending on the type of residence permit held by the non-EU citizen, the eventual Committee's authorization will be finalised:

I. to the conversion at the competent Single Immigration Desk, in the case of a residence permit subject to the availability of quotas established by the Annual Flows Decree: these are in particular residence permits for study and EC residence permits for long-term residents issued by another EU Member State.

II to the updating at the competent Police Headquarters, in case of different typology from the previous ones: among these, the residence permit for subordinate work, for scientific research, or for family reasons. In both cases, the conversion or updating process will have as its output the transformation of the previous permit into a residence permit for self-employment for the constitution of an innovative start-up.

Application procedure for students, trainees and long-term residents (i.e. conversion of residence permit):

1. Once the ISH clearance has been obtained, the non-EU citizen must book a meeting with the competent Single Desk for Immigration on the nullaostalavoro.dlci.interno.it portal (registration of a SPID account is required). Click on "Immigration one-stop-shop", then on "request forms" and fill in Form Z ("Application for verification of the existence of a quota for self-employment and certification attesting to possession of the requirements for self-employment" "Members, directors of companies"). After receiving an email confirming that the request has been sent, he must wait for the convocation (more information on the methods of convocation available on the sites of the prefectures).

2. During the appointment at the Single Desk for Immigration, the conversion applicant must bring with him/her:

- a. copy of the Italia Startup Hub clearance;
- b. residence permit currently held;
- c. documentation proving suitable accommodation in accordance with the law;
- d. documentation proving an income in excess of the minimum level required by law for exemption from participation in health care expenditure (8,500 euros);
- e. Italian identity card or passport;
- f. 16 euro stamp.

3. After the Single Desk for Immigration has authorised the conversion, the conversion kit (model 209) is delivered to a qualified post office ("Friendly Desk") and sent to the competent Police Headquarters. Here the appointment with the Police Headquarters for the withdrawal of the permit will be fixed.

4. Finally, the competent Chief of Police release the permit of stay for selfemployment to third country citizens

Procedure reserved to employers, researchers or familiars of permit of stay holders (c.d. aggiornamento di permesso di soggiorno):

Once the authorization has been obtained, the beneficiary fills in the kit for updating the permit (form 209) available at all qualified post offices ("Sportello Amico"). From here, the documentation is sent to the Police

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Headquarters and the appointment for the withdrawal of the permit is made. Finally, the competent Police Headquarters convenes the non-EU citizen to issue the residence permit for self-employment.³⁴

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

See Q11a and Q11d in riferimento a fondatori di start up che per la prima volta arrivano in Italia.

See Q13 per il cambio di status.

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

- Online. Please explain: See Q11a
- In person. Please explain: See Q11d
- Other. Please explain:

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

Alternative requirements (See Q3a) for setting up a start-up include the employment of highly qualified employees or collaborators. As such, the startup:

- must employ at least 1/3 of the total workforce, holding or carrying out a PhD in an Italian or foreign university or who have a degree and have carried out, for at least three years, certified research activities at public or private research institutes, in Italy or abroad;
- or must employ, to an extent at least equal to 2/3 of the total workforce, personnel with a master's degree.

In conclusion, the procedure for highly qualified workers and Blue Card can be applied.

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: See Q11d

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

Up to 60 days before its natural expiry (one year from the time of application), the residence permit for self-employment may be renewed for a maximum of two years, and is further renewable on expiry for the same duration. After 5 years, the non-EU citizen can apply for a long-term residence permit, valid for an indefinite period.³⁵

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

From the stakeholder's point of view, according to the OECD 2018 evaluation report on the Italian Start up Act, the weak points of the startup ecosystem in Italy include the scarcity of risk capital investments and the weakness of the internal market for innovative goods and services.

Q13g.

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

The Italia Startup Visa programme (italiastartupvisa.mise.gov.it) was launched by the Ministry of Economic Development on 24 June 2014. ISV has introduced a completely new procedure for granting entry visas

³⁴http://italiastartupvisa.mise.gov.it/media/documents/Linee%20Guida%20Italia%20Startup%20Hub%2020_05_2019%20fin.pdf

³⁵ Cfr. Italia Startup Visa. Linee Guida 2018.

http://italiastartupvisa.mise.gov.it/media/documents/Linee%20Guida%20ISV%20ITA%2020_03_2018%20def.pdf

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for self-employment to non-EU citizens who intend to start, individually or in teams, an innovative start-up in our country.

In addition to the founding of a start-up, the visa can also be obtained by non-EU citizens who join innovative start-ups already established, if the conditions laid down in the general legislation on self-employment are met and if the visa applicants intend to provide the company with both capital and entrepreneurial know-how.³⁶

If the foreign citizen intends to contribute only capital, from the end of 2017 the Investor Visa for Italy program is active, a special two-year visa for foreign investors that can be issued only for a single investment, relating to only one of the types:

- Government bonds issued by the Italian Republic,
- Instruments representing the capital of a company incorporated and operating in Italy,
- Philanthropic donation,
- Instruments representing the capital of innovative start-ups (Shares or shares of innovative start-ups, i.e. companies referred to in Article 25, paragraph 2, of Decree-Law no. 179 of 18 October 2012, converted with amendments by Law no. 221 of 17 December 2012, and subsequent amendments. The official list of innovative startups, updated weekly and accessible free of charge, is available on the dedicated website of the Italian Chambers of Commerce system: startup.registroimprese.it.)³⁷

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

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

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

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

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

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

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

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

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

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

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

³⁶ Cfr. https://www.mise.gov.it/images/stories/documenti/ISVH-1-rapporto-trimestrale-2019-08_04_2019.pdf

³⁷ Cfr. <https://investorvisa.mise.gov.it/images/documenti/Visto-per-investitori---Manuale-operativo-versione-14-settembre-2018-def-.pdf>

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?

1) Italia Start UP VISA is an option, as it speeds up the process and simplifies it, for example it does not make it necessary to legalize documents. If the start-up is innovative it can be applied. The MISE replaces the Chamber of Commerce and the process is all online. (Otherwise the standard procedure for self-employment applies. The advantage here is that the required financial threshold is lower).

2.) Citizens of non-EU countries who intend to set up an innovative start-up on Italian territory as defined in art. 25, paragraph 2, of Decree-Law 179/2012 can apply for an entry visa for self-employment startup. In setting up the company, the application can be supported, even financially, by certified incubators as per art. 25, paragraph 5 of the same decree. The procedure for obtaining the startup visa is a simplified, digitized and accelerated variant of the one normally provided for the issuance of the visa for self-employment. The procedure consists of three stages:

- First step: sending the application

-Second stage: merit assessment

-Third stage: issuing of visa.

3. the Italia Startup Visa Technical Committee (ISV Committee), composed of representatives of the main organizations of the national innovation ecosystem.

4. First stage: sending in the application. The non-EU citizen sends to the email address italiastartupvisa@mise.gov.it a completed application form and a certificate confirming the availability of at least 50,000 euros, to be used for the constitution of the new innovative startup, together with the passport. The form and the demonstration of financial resources can be completed in both Italian and English. The formal check on the documentation is carried out by the Secretariat of the Italia Startup Visa program, established at the General Directorate for Industrial Policy, Competitiveness and SMEs of the MISE.

-Phase 2: merit assessment. After the preliminary check, the preliminary phase continues with the submission of the documentation to the body responsible for the evaluation, the Technical Committee Italy Startup Visa (ISV Committee), composed of representatives of the main organizations of the national ecosystem of innovation. Within 30 days from the sending of the application, acquired by the competent Police Headquarters the certification of the absence of elements that prevent the entry into Italy of the visa applicant, the Committee informs the candidate of the result of the evaluation: in the event of a positive outcome, the candidate receives by e-mail a 'Nulla Osta al visto per lavoro autonomo finalizzato alla costituzione di una startup innovativa' (Nulla Osta ISV).

-Step 3: Issuing the visa. Within three months from the sending of the ISV, the candidate presents himself at the Italian diplomatic-consular office competent for the territory to collect his visa for self-employment startup, lasting one year.

5. See phase 2 and 3 of the previous point³⁸.

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?

1. Italia Startup Hub

2) Amel falls into the category of non-EU citizens who are already in Italy, in possession of a regular residence permit for which it is possible to change the type ("conversion") during the period of validity or at the expiration and who intend to start, alone or in a team, an innovative startup on the Italian territory. In order to be eligible for the programme, the applicant must demonstrate a financial availability for the purposes of the business project, whether personal or granted by third parties, of not less than 50,000 euros.

3. Applications for permits are evaluated by a group of experts, the Italia Startup Visa Technical Committee.

4. Documentation to be sent to italiastartuphub@mise.gov.it:

1. Application form + presentation deck + business plan 2. Demonstration of financial resources > €50,000 3. Copy of passport 4. Copy of the residence permit

The assessment of the merits of the applications is administratively coordinated by the Secretariat of the Committee. In the event of a positive opinion from a majority of the Committee's members, the DG for Industrial Policy of the MISE, in its capacity as Chairman of the Committee, will issue a *nulla osta* authorising the conversion/updating of the residence permit. Specifically, depending on the type of residence permit held by the non-EU citizen, the Committee's authorisation, if any, will be finalised:

I. to the conversion at the competent Single Immigration Desk, in the case of a residence permit subject to the availability of quotas established by the Annual Flows Decree: this concerns in particular residence permits for study and EC residence permits for long-term residents issued by another EU Member State.

II. to the updating at the competent Police Headquarters, in case of different typology from the previous ones: among these, the residence permit for subordinate work, for scientific research, or for family reasons.

In both cases, the conversion or updating process will have as its output the transformation of the previous permit into a residence permit for self-employment for the establishment of an innovative start-up.

5. The issue of the Italia Startup Hub authorization takes less than 30 days from the date of sending the application, as the procedure presents further elements of simplification compared to those introduced by Italia Startup Visa (exemption from the preliminary security check) see ISH Guidelines.

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

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

1. Italia Start Up Visa

³⁸http://italiastartupvisa.mise.gov.it/media/documents/Linee%20Guida%20ISV%20ITA%2020_03_2018%20def.pdf

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2. *Italia Start Up Visa foresees that Sergey has the possibility to create a new law entity ruled by Italian law, following the procedure described in case 1.*

TCN already in the EU, PhD or master student

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?

1. *Italia Start Hub*

2. *Auri falls into the category of non-EU citizens who are already in Italy, in possession of a regular residence permit for which it is possible to change the type ("conversion") during the period of validity or at the expiration and who intend to start, alone or as a team, an innovative startup in Italy. See case 2.*

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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: Italia Startup Visa is specifically targeted to third-country national who intend to set up a startup company in Italy. See Q7b.
- 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:

Among the business incubators, it is important to mention those set up within universities. For example, Speed MI Up is a joint initiative realized by the Milan Chamber of Commerce and Bocconi University helping new entrepreneurs to face the formidable challenge of the future by supporting them from the beginning in the development of their business idea. Speed MI Up is an important international initiative open to all new entrepreneurs, of all nationalities, who have declared their intention to set up their strategic headquarters in Milan to confirm the city as one of the main international business centers. Speed MI Up is a business and professional workshop specialized in the development of business and management skills who dedicates most of its energies to accelerating the growth of innovative start-ups. Speed MI Up does not enter the capital of the startup, preserving its value and entrepreneurial freedom over time, and is looking for innovative start-ups that want to follow a path of development of excellence through:

- a training specifically dedicated to startups curated by professors from Bocconi University and SDA Bocconi School of Management and by professionals from Formaper
- a continuous tutorship expressed by Bocconi Faculty professors and by the support of periodic business reviews conducted by qualified Advisory Boards.

There are numerous initiatives to support technological innovation underway at the Politecnico di Milano. First of all, POLI360 is the new investment fund, unique of its kind in Italy, which leverages the research potential and expertise of the University, as well as the technology transfer platform managed by the TTO and the incubator PoliHub. The investments support the development of high-tech projects and start-ups, based on research and intellectual property, in the areas of industrial manufacturing and automation, efficient energy management, civil and telecommunications infrastructures, advanced materials development and design. In addition, the Politecnico enhances the value of inventions through a process of technology transfer that includes activities of scouting for scientific results, pre-seed funding and technological enhancement of projects, including through specific paths such as the competition Switch2Product and Poli360, the venture capital fund dedicated to supporting the innovative potential of the Politecnico. The direct relationship with companies, strengthened by the promotion of new technologies via the web (Polilink), takes the form of the granting of licences to third parties or other forms of collaboration with the business world. The Polytechnic has also developed its own Startup District & Incubator, PoliHub, which is also aimed at established companies with high technological content, offering the opportunity to share knowledge and access the network of one of the best European technological universities for the relaunch of new entrepreneurship.

- Local and regional authorities (e.g. cities and regions). Please elaborate: See Q4b
- Other actors. Please elaborate:

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

Yes. Please explain:

No [not in a structured manner]

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
Facilitation to access permanent residence	<p>The procedure for obtaining a startup visa is a simplified, digitised variant (the candidate can only send his documentation by ordinary e-mail to italiastartupvisa@mise.gov.it), centralized (a single administration - the MISE, specifically the Directorate General for Industrial Policy, Competitiveness and SMEs, through the Secretariat of the programme-, manages all necessary communications with the administrations involved -Questure, diplomatic offices-consular- and plays the role of sole interlocutor for visa applicants, bilingual, and accelerated (the authorization to grant a visa is usually issued within 30 days of the official submission of the application) than that normally required for the issuance of visas for self-employment. Without prejudice to these important peculiarities, Italia Startup Visa is included in the ordinary category of self-employment visa, and is therefore subject to the general provisions applicable in this regard: in particular, art. 26 of the Consolidated Act on Immigration (TUI), art. 39 of Presidential Decree 394/99, and Interministerial Decree no. 850/2011.</p> <p>The visa is issued at the competent diplomatic-consular office for the territory of residence of the applicant within three months from the date of transmission of the Nulla Osta Italia Startup Visa.</p>
Access to employment	<p>After the issuance of the visa, the beneficiary of the Italia Startup Visa program has 180 days to move to Italy and apply for a residence permit for self-employment of one year.</p>
Possibility to be accompanied by family members	<p>Normal rules for family reunification apply as with regular self-employed residents. Article 28 of Legislative Decree 286/98 establishes the right to maintain or regain the family unit granted to foreigners holding a residence card or residence permit for a period of not less than one year, issued for employment, self-employment, asylum, study or religious reasons.</p> <p>The family reunification procedure is used by foreign citizens who are already in Italy and who have already obtained a residence permit (the application for the first issue of the permit is not sufficient). Possession of a long-term EU residence permit or an entry visa of at least one year's duration (for subordinate work, occasional self-employment, study), allows you to apply to the Single Desk for Immigration (SUI) for the authorization for family members accompanying you.</p> <p>The authorization is required to obtain a visa for family members at a later date. A foreign citizen who is regularly in the national territory with a residence permit valid for no less than one year shall be entitled to a visa can ask to the <i>Sportello Unico the nulla - ost for family re-unification with:</i></p> <ul style="list-style-type: none"> • spouse of full age not legally separated;

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	<ul style="list-style-type: none"> • minor unmarried children, with the consent of the other parent; • dependent children of full age (for total disability); • dependent parents, if they do not have other children in their country of origin, origin/provenience, or if they are over 65 and their children do not have the capacity to properly assist them³⁹ • Requirements for requesting clearance: <ul style="list-style-type: none"> • - income: the applicant must prove an income of not less than the annual amount of the social allowance (for 2016 equal to €5,824.91 per year, i.e. €448.07 per month), increased by half of the resulting figure for each family member to be reunited. For the reunification of two or more children under the age of 14 years is required, in any case, a minimum income of not less than twice the annual amount of the social allowance; • - suitability of the accommodation: the applicant must demonstrate the availability of accommodation in Italy in accordance with the requirements of hygiene and health and suitability of housing⁴⁰.
Family members allowed to access the labour market	Once the family member has obtained the residence permit, he/she may work (self-employed or subordinate), enroll to a course of study and have access to the services of the National Health Service ⁴¹ .
Other rights (please specify)	

³⁹ Cfr. Sportello Unico sull'immigrazione, <http://www.interno.gov.it/it/temi/immigrazione-e-asilo/modalita-dingresso/sportello-unico-limmigrazione>

⁴⁰ Cfr. <https://www.unibo.it/it/internazionale/docenti-e-ricercatori-internazionali/informazioni-utili-prima-e-dopo-larrivo-in-italia/viaggiare-con-famiglia>

⁴¹ *Immigration of international students to Italy*, EMN National Contact Point for Italy within the European Migration Network edited by IDOS, pg. 61 2012. Cfr https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/networks/european_migration_network/reports/docs/emn-studies/immigration-students/14a_italy_national_report_international_students_april2013_final_en.pdf

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
<p>Facilitations for admission; <i>If yes, please explain what they entail (shortened processing time, reduced documentary requirements etc.)</i></p>	<p>Online incorporation (see Q3b):</p> <p>According to the Decree of the Minister of Economic Development of 17 February 2016, innovative startups (as defined by d.l. 179/2012, art. 25, par. 2) are allowed to draw up their deeds of incorporation, i.e. the memorandum of association (atto costitutivo) and the company by-laws (statuto), by using a standard model, and validating their content with an electronic signature (as defined by art. 24 of the Digital Administration Code).</p> <p>As a consequence, founders can establish their company entirely online, by means of a platform created by the Chambers of Commerce system. As an alternative, entrepreneurs can contact the AQI (Qualified Assistance for Businesses) office of the local Chamber of Commerce, which on scheduled appointment offers free assistance to users at all stages of the registration process.</p> <p>In accordance with the Ministerial Decree of 28 October 2016, startups can also use the same procedure for subsequent amendments of their incorporation acts.</p> <p>Currently applicable only to startups established as limited liability companies (società a responsabilità limitata, "s.r.l."), the procedure represents a disruptive innovation within the Italian company law: for the first time ever, company incorporation is allowed without the supervision of a notary public. The main advantages for the user are:</p> <ul style="list-style-type: none"> • Zero cost: besides minor registration duties (ranging between 200 and €350), there are no specific costs linked to the creation of the company. Incorporation by notarial deed generally costs approx. €2000. • Simplification: the entire procedure may place online, and the identity of the parties is guaranteed by the electronic signature • Customisation: unlike other countries that allow online incorporation, the founding acts are widely customisable. The standard model, in XML format, leaves 	<p>Permanent Measure</p>	<p>State</p>		

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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
	<p>room for personalisation by the user, while also enabling automatic checks on the data inserted.</p> <ul style="list-style-type: none"> • Non-binding: for those who prefer so, it is always possible to set up an "s.r.l." by notarial deed, and register it as startup either immediately or at a later time. <p>The "Italia Startup Visa" programme, launched in June 2014 to simplify the self-employment visa procedure for non-EU talent wishing to start an innovative start-up in Italy. See Q7a.</p>				
Access to special funding and investments (e.g. micro-loans)	<p>Innovative start-ups wishing to obtain bank financing may apply to the SME Guarantee Fund (FGPMI) free of charge, following a simplified procedure that exempts them from a further creditworthiness assessment compared to that already carried out by the credit institution. The guarantee can reach up to 2.5 million euros per company, and cover up to 80% of each loan granted.</p> <p>Smart&Start Italia is a facilitation tool established by the Ministry of Economic Development in order to promote, throughout the country, the conditions for the dissemination of new entrepreneurship and support policies for technology transfer and economic exploitation of the results of the system of public and private research. La misura agevolativa è riservata alle startup innovative localizzate su tutto il territorio nazionale, iscritte nell'apposita sezione speciale del registro imprese e in possesso dei requisiti di cui all'art. 25 del decreto-legge n. 179/2012.</p> <ul style="list-style-type: none"> • Natural persons who wish to set up an innovative startup may also apply for a discount. In this case, the company must be set up within 30 days of notification of admission to the facilities. • Foreign companies that undertake to set up at least one operating office in Italy can also obtain the Smart&Start Italia benefits. • The Smart&Start Italia tool finances projects that involve spending programmes, for an amount between 100 thousand and 1.5 million euros, to purchase capital goods and incur business management costs. 	<p>Permanent measure</p> <p>The ministerial decree of September 24, 2014 reorders the Smart & Start intervention, allocating it to innovative start-ups, as defined by Law Decree 179/2012, throughout the country.</p> <p>The decree was published in the Official Gazette no. 264 of 13</p>	State	<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
	<ul style="list-style-type: none"> • The eligible investment costs, incurred after the submission of the application and in any case within 24 months of the signing of the loan contract, concern: <ul style="list-style-type: none"> • - plant, machinery and technological equipment, or technical-scientific equipment, new to the factory; • - hardware and software components; • - patents, trademarks and licenses; • - certifications, know-how and technical knowledge, even if not patented, provided that they are directly related to the production and management needs of the company; • - design, development, customization, testing of architectural and information technology solutions and production technology systems, specialist technological consulting, as well as related corrective and adaptive interventions; • - investments in marketing and web marketing. • The subsidisable management costs, incurred in the 24 months following the date of stipulation of the financing contract, concern: <ul style="list-style-type: none"> • - interest on external financing granted to the company; • - depreciation of plant, machinery and technological or technical-scientific equipment; • - lease payments or rental costs relating to plant, machinery and equipment; • salary costs relating to employees, as well as costs relating to collaborators meeting the requirements set out in Article 25(2) of Decree-Law No 179/2012; <ul style="list-style-type: none"> • - licences and rights relating to the use of industrial property rights; • - licenses relating to the use of software; • - business incubation and acceleration services. • Each applicant company may benefit from the following facilities: <ul style="list-style-type: none"> • - Facilitated financing • The benefits for innovative start-ups are represented by a subsidised interest-free loan with a value of 70% of the eligible expenses and/or costs, which can be 	November 2014.			

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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
	<p>raised to 80% if the company is entirely made up of women or young people under 35 years of age, or if it requires the presence of at least one expert with the title of research doctor (or equivalent) who has been awarded no more than 6 years of age and who has been permanently engaged abroad in research or teaching activities for at least three years.</p> <ul style="list-style-type: none"> - For innovative startups based in Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardinia and Sicily, the subsidised loan is partially repaid by the beneficiary company, for an amount equal to 80% of the subsidised loan amount granted. - The maximum duration of the loan is 8 years. - Tutoring services - Innovative startups that have not been in operation for more than 12 months benefit from specialized services, which may include exchanges with the best international experiences, identified by the characteristics of the startups.⁴². 				
Co-working and dedicated spaces (facilities for shared use of start-ups/businesses)	There are many examples of spaces dedicated to co-working in Italy, especially concentrated in the cities of Milan and Rome. The site https://www.italiancoworking.it/ offers a list of spaces dedicated to co-working with the possibility to select the city of reference. In addition, international networks such as ImpactHub have offices in various cities of the peninsula (Turin, Rome, Milan, Florence, Syracuse). University and regional hubs also offer spaces dedicated to co-working.	Permanent measure	Private sector, public sector, Universities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Access to incubation/accelerator support programmes	There are many initiatives at regional (See Q4b), university and private level, to promote the acceleration and incubation of business. To cite a few examples, the incubator of innovative enterprises of the Politecnico di Torino I3P, supports the birth and development of innovative start-ups with high technological intensity and growth potential, founded both by university researchers and students, and by external	Permanent measure	Private sector, Public sector, Universities,	<input type="checkbox"/>	<input checked="" type="checkbox"/>

⁴² Cfr. <https://www.mise.gov.it/index.php/it/incentivi/impresa/smart-start>

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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
	entrepreneurs. I3P provides the founders of startups with equipped spaces, strategic consulting services and fundraising support. Start up Initiative is Intesa Sanpaolo's international acceleration programme (with the collaboration of Intesa Sanpaolo Innovation Center) to select the best high-tech start-ups, prepare them for the market and help them get in touch with potential investors and industrial partners. ⁴³ .				
Tax incentives (benefits, reductions, exemptions, etc.)	<p>The Italian Startup Act rewards risk capital investments of innovative start-ups, coming from natural and legal persons, with an important tax incentive.</p> <p>Its configuration, applicable to risk capital investments made from January 1, 2017 (Budget Law 2017, art. 1, paragraph 66), provides for the following:</p> <ul style="list-style-type: none"> - for individuals, a deduction from the gross IRPEF tax equal to 30% of the amount invested, up to a maximum of 1 million euros; - for legal persons, deduction from Ires taxable income equal to 30% of the amount invested, up to a maximum of 1.8 million euros. <p>The 2019 Budget Law (art. 1, paragraph 218) provides, for tax year 2019 only, the following incentive rates:</p> <ul style="list-style-type: none"> • natural persons: income tax deduction at 40% for investments up to €1 million • limited companies: deduction from taxable corporate income equal to 40% of the amount invested, increased to 50% if the investor acquires the entire share capital of the innovative startup. <p>Before entering into force, the new provisions of 2019 Budget Law must be notified to the European Commission to assess their compliance with EU rules on state aid. The higher rates will be executable after a positive outcome of this procedure. The incentives, which can be exercised automatically in the income tax return, apply both in the case of direct investments in innovative start-ups and in the case of indirect investments through</p>	Permanent measure	State	<input type="checkbox"/>	<input checked="" type="checkbox"/>

⁴³ Cfr. <https://www.intesasanpaolo.com/it/business/prodotti/formazione-e-consulenza-per-imprese-e-startup/startup-initiative.html>

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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
	<p>UCIs and other companies that invest mainly in innovative start-ups and SMEs. As of 2017, the use of the incentive is conditional on maintaining the participation in the innovative startup (holding period) for a minimum of three years.ù</p> <p>Innovative start-ups and certified incubators do not pay the annual fee due to the Chambers of Commerce, as well as, as clarified by the circular of the Inland Revenue 16/E issued on June 11, 2014, the secretarial fees and stamp duty usually due for the fulfillments to be carried out at the Register of Companies.</p> <p>Innovative start-ups can launch campaigns to raise capital through authorized online portals (equity crowdfunding⁴⁴.) Such capital investments are subject to tax incentives mentioned above.</p>				
Consultation services/ facilitators help in networking/accessing networks	<p>As part of the Smart&Start Italia tool, start-ups that have not been in operation for more than 12 months benefit from specialistic services, which may include exchanges with the best international experiences, identified on the basis of the characteristics of the start-ups.⁴⁵.</p> <p>The Italian Trade Agency ("ITA", in Italian "Agenzia ICE") provides assistance on regulatory, corporate, fiscal, real estate, contractual and credit matters: innovative startups are entitled to a 30% discount on standard costs, available by requesting a "Startup Service Card". Moreover, to stimulate dialogue with potential foreign investors, the ITA guides innovative startups for free to some of the main international events for hi-tech companies: the scheduled activities are available on the portal www.innovationitaly.it/en.</p> <p>Among the actions of the Italian Trade Agency in support for startups, it is worth to mention the Global Startup Program. Thanks to this initiative, selected companies receive</p>	Permanent measure	State	<input type="checkbox"/>	<input checked="" type="checkbox"/>

⁴⁴ Cfr. https://www.mise.gov.it/images/stories/documenti/Scheda_sintesi_policy_startup_27_03_15.pdf; Per maggiori dettagli: <http://www.osservatoriocrowdinvesting.it/>

⁴⁵ Cfr. <http://www.smartstart.invitalia.it/site/smart/home/smartstart-italia/cosa/agevolazioni.html>

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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
	specialized education and mentoring on topics related to internationalisation, and a financial contribution for training programmes of 3-6 months at foreign incubators.				
Training programmes for start-ups	The same incubators for start-ups provide support and mentoring services during the development of a business idea and during its application.	Permanent measure	Private and public sector, Universities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial support to cover administrative and/or staff costs	<p>Smart&Start Italia⁴⁶ finances projects that involve spending programmes, for an amount between 100 thousand and 1.5 million euros, to purchase capital goods and incur business management costs.</p> <p>Under the Smart&Start Italia instrument, the subsidisable management costs, incurred in the 24 months following the date of stipulation of the loan contract, concern:</p> <ul style="list-style-type: none"> - interest on external financing granted to the company; - depreciation of plant, machinery and technological or technical-scientific equipment; - lease payments or rental costs relating to plant, machinery and equipment; - salary costs relating to employees, as well as costs relating to collaborators meeting the requirements set out in Article 25(2) of Decree-Law No 179/2012 <ul style="list-style-type: none"> • licences and relative rights related to the use of industrial property titles • software licences; • incubation and business acceleration services 	Permanent measure	State	<input type="checkbox"/>	<input type="checkbox"/>
Other special incentives <i>Please add new rows as applicable</i>	The innovative startup will be able to hire personnel with fixed-term contracts of a minimum of 6 months and a maximum of 24 months. Within this time frame, contracts may also be of short duration and renewed several times. After 24 months, the contract may be further renewed only once ⁴⁷ . After this initial period, typically characterized by a	Permanent measure		<input type="checkbox"/>	<input checked="" type="checkbox"/>

⁴⁶ See above the *Access to special funding and investments* section.

⁴⁷ Disposizioni modificate dal recente Decreto Dignità (dl 87/2018)

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Measure	Brief description of the measure	Are the attraction measures campaign-like or permanent measures?	Who implements the measure? <i>(state, private sector, in cooperation etc)</i>	Applies to:	
				TCNs only	General
	<p>high rate of business risk, the collaboration relationship takes the form of an open-ended contract.</p> <p>Innovative start-ups and certified incubators can remunerate their employees with equity instruments (such as stock options), and external service providers through work for equity schemes. The tax and contribution system that applies to these instruments is advantageous and tailored to the typical needs of a startup⁴⁸.</p>				

⁴⁸ Cfr. https://www.mise.gov.it/images/stories/documenti/Scheda_sintesi_policy_startup_27_03_15.pdf

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)

Launched in December 2014 on the model of the Italia Startup Visa scheme by the Ministries of Economic Development, the Interior and Labour and Social Policies, the Italia Startup Hub program (<http://italiastartuphub.mise.gov.it/>) has extended the procedural simplifications mentioned to the case of conversion of residence permits: non-EU citizens already residing in Italy who intend to extend their stay to start an innovative startup or join as working members an innovative startup already established can convert their permit in expiration - obtained, for example, for reasons of study - in a "permit for self-employment startup" without having to leave the Italian territory and enjoying the simplified procedures already provided for the granting of visas startup.

The Italia Startup Hub conversion procedure is based on the procedures of the Italia Startup Visa program. Similarly, non-EU citizens with an expiring permit or who in any case intend to continue their stay in Italy with the aim of starting or joining an innovative start-up as a capital partner are required to send to italiastartuphub@mise.gov.it an accurate description of the business project, and documentation certifying the availability of financial resources of at least 50,000 euros to invest in the creation of the new company. The Visa & Hub Italy Startup Committee, composed of representatives of five of the main associations of the national innovation ecosystem and coordinated by the Directorate General for Industrial Policy, Competitiveness and SMEs of the Ministry of Economic Development, will assess the quality of the applications received and will issue, in the event of a positive assessment, a nulla osta enabling the conversion/updating of the residence permit.

Unlike what happens under the Italia Startup Visa program, the Committee is not required to obtain any opinion from the competent police headquarters before issuing the authorization, as the very fact that the foreign citizen is in possession of a residence permit is an indication of the lawfulness of his position and guarantee of security. It follows that under the Italia Startup Hub procedure the Committee will be able to express itself with even faster deadlines than the 30 days provided for under the Italia Startup Visa program. Italia Startup Hub is aimed at holders of any type of residence permit. These include

- a) residence permit for study, internship and/or professional training,
- b) EC long-term residence permit issued by another member state of the European Union,
- (c) a residence permit for the purpose of paid employment,
- (d) a residence permit for the purpose of self-employment; and
- (e) a residence permit for the purpose of family reunification.

Depending on the type of residence permit held by the non-EU citizen, the committee's authorisation, if any, will be finalised:

- conversion at the competent Single Desk for Immigration, in the case of a residence permit for study or EC residence permit for long-term residents issued by another EU member country (points a and b).
- the updating at the competent Police Headquarters, in the case of a residence permit for reasons of employment, self-employment or family (points b, c and d).

In both cases, the conversion or updating process will have as its output the transformation of the previous permit into a residence permit for self-employment for the constitution of an innovative start-up, which is not a type of residence permit for self-employment in its own right and therefore falls within the quotas mentioned above⁴⁹.

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:*

⁴⁹ Cfr. <http://italiastartuphub.mise.gov.it/media/documents/Linee%20Guida%20Italia%20Startup%20Hub.pdf>

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Regarding the dissemination of information regarding the possibility of establishing a start-up for third-country nationals, the site <http://italiastartupvisa.mise.gov.it>⁵⁰ is a showcase for attracting and retaining innovative entrepreneurs from around the world, allowing you to access with a click the procedure for establishing a start-up in a simple and fast way, disseminating information about the ISV procedure, the application process and the overview of the Italian ecosystem.

With respect to promotional activities, Rome Startup Week was founded in 2017 by the Roma Startup Association and promoted by the Italian Institute for Foreign Trade, with the support of the Government, the Lazio Region and the City of Rome. The event is a large event with free admission, supported by public and private sponsors, targeting different targets thanks to the various types of events including conferences, workshops, competitions between startups and master classes. The format of Rome Startup Week is unique as it provides a complete overview of business and innovation for industry organizations and interested parties in general and, moreover, it creates an inclusive system that gives the opportunity to invest in the initiatives presented in what is a real showcase for Italian and foreign startups. The festival also aims to achieve structural objectives, enhancing the interconnection between Italian and international schools in the area with the aim of promoting training projects aimed at new dynamics of work; build a network between academic institutions and large Italian or foreign companies in the area; open an active dialogue with institutions in view of a shared strategy to support innovative companies, spreading culture on the business model of startups.⁵¹

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:

La stessa presentazione grafica del portale online <http://italiastartupvisa.mise.gov.it/> permette di accedere in modo facile, chiaro e veloce alle informazioni relative alla procedura di ottenimento del visto per startupper.

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:

The Italia Startup Visa programme (italiastartupvisa.mise.gov.it) was launched by the Ministry of Economic Development on 24 June 2014. ISV has introduced a completely new procedure (accelerated, bilingual, digital, centralized, free) for the granting of entry visas for self-employment to non-EU citizens who intend to start, individually or in teams, an innovative startup in our country.⁵²

The evidence produced by the Italia Startup Visa and Hub programmes is subject to constant monitoring. The DG for Industrial Policy, Competitiveness and SMEs of the MISE publishes, on a quarterly basis, a periodic report that reports on the applications received, the origin and background of the candidates, and the new companies started up as a result of the two programmes.⁵³

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. See Q3e.

Hubs and locations for start-ups (e.g. cities). If yes, please elaborate:

Culture. If yes, please elaborate:

Socio-economic factors (e.g. living costs). If yes, please elaborate:

⁵⁰ Cfr. <http://italiastartupvisa.mise.gov.it/>

⁵¹ Cfr. <https://www.regione.lazio.it/lestradedelcommercio/dettaglio-notizia?notiziaId=288>

⁵² Cfr. https://www.mise.gov.it/images/stories/documenti/ISVH-1-rapporto-trimestrale-2019-08_04_2019.pdf

⁵³ Cfr. <https://www.mise.gov.it/index.php/it/impresa/competitivita-e-nuove-imprese/start-up-innovative/programma-italia-startup-visa>

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Other (please specify):

The annual report to the Parliament regarding the status of implementation and the impact of the policy to support startups and innovative SMEs published in 2016⁵⁴ contains, among others, the main findings of a survey on the first participants in the Italia Start up Visa program. in which are mentioned some criticalities still valid today:

- The most important issues arise at the time of obtaining a residence permit for self-employment in our country.
- The time that elapses between the request of the permit and the granting of the appointment for the taking of fingerprints which follows the actual withdrawal of the permit is generally very long and can take several months.
- The delay in granting the residence permit creates three critical orders: it impacts on some logistical aspects crucial for the life in Italy of the recipients of the program, such as the housing situation and the possibility of buying a car; it slows down the start-up of startups, because even if the product or service to be marketed is already ready, it is not possible to set up a business in the absence of a residence permit; it adds a factor of further expansion in time to the family reunification procedures, making it problematic to use the standard procedure in the short term.
- the language barrier,
- lack of information on regulations,
- the bureaucratic burden,
- the lack of contact with the Italian ecosystem of innovation.
- Little knowledge of the support measures provided by the Italian Startup Act. SMES

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).*

See question Q21 above

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).*

See question Q13g.

⁵⁴ Relazione Annuale 2016

https://www.mise.gov.it/images/stories/documenti/Relazione_annuale_startup_e_pmi_innovative_2016.pdf

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:

Further to validation of entry requirements, the applicant is granted a residence permit for start-up self-employment of a duration of one year. The Start-up visa may be renewed for a maximum of two years after which it may be renewed again for the same duration⁵⁵.

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: See Q23a.

a permanent residence. Please describe: Dopo 5 anni, il cittadino non UE può richiedere un permesso per soggiornanti di lungo periodo, valido a tempo indeterminato.

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

Up to 60 days before its natural expiry (one year from the time of application), the residence permit for self-employment may be renewed for a maximum of two years, and is further renewable on expiry for the same duration. After 5 years, the non-EU citizen can apply for a long-term residence permit, valid for an indefinite period. The renewal procedure is started after the applicant submits his application to the competent Police Headquarters for the territory. The application shall be accompanied by the following documents:

- Chamber of Commerce inspection of the innovative startup, including memorandum of association, statute, and certification of registration in the special section of the Register of Companies referred to in Article 25, paragraph 8, of Decree-Law 179/2012, proving compliance with the requirements of Article 25, paragraph 2 of the same decree. The documentation must show the role of self-employed person assumed by the non-EU entrepreneur within the company; Italia Startup Visa: guidelines 20 March 2018

- proof of an annual gross income, from legitimate sources, in excess of the statutory minimum level for exemption from participation in health care expenditure. It follows that, in order to obtain the renewal of the residence permit, the non-EU citizen must have already set up a company with the requirements of innovative start-up and registered in the special section of the Companies Register.

As with all residence permits, it is a necessary condition for renewal that the non-EU citizen does not leave the Italian territory for more than 6 months continuously, unless there are serious and proven reasons. The loss by the startup, after confirmation of the visa, of the requirements provided for in Article 25, paragraph 2 of Decree Law 179/2012 does not entail the revocation of the residence permit⁵⁶.

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

As with all residence permits, it is a necessary condition for renewal that the non-EU citizen does not leave Italian territory for more than 6 months continuously, unless there are serious and proven reasons. The loss by the startup, after confirmation of the visa, of the requirements provided for in Article 25, paragraph 2 of Decree Law 179/2012 does not entail the revocation of the residence permit.

Even at the time of application, the non-EU citizen participating in the Italia Startup Visa program agrees to be available for any communications or periodic surveys on the progress of his business activities, handled by the ISV Secretariat. The Secretariat will inform the competent authorities if the visa recipient

⁵⁵ Cfr. EMN Ad-Hoc Query on start-up policies for third-country nationals (part 2). Requested by EE EMN NCP on 12th June 2017.

⁵⁶ Cfr. Italia Startup Visa. Linee Guida 2018.

http://italiastartupvisa.mise.gov.it/media/documents/Linee%20Guida%20ISV%20ITA%2020_03_2018%20def.pdf

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is not available. Within 90 days from the date of application for the residence permit, the recipient of a visa for self-employment for establishing an innovative start-up in Italy undertakes to communicate:

- the status of the practice of granting a residence permit for self-employment, attaching a copy of the postal receipt relating to the application for a residence permit or, if it has already been issued, a copy thereof;
- the start of the innovative start-up and its references (name, tax code, date of registration in the special section of the Companies Register pursuant to art. 25, paragraph 8 of Decree Law 179/2012). If the startup has not yet been set up, the non-EU citizen undertakes to notify it as soon as possible;
- updated contacts (email address, Italian telephone number) and address of domicile.

The non-EU citizen also undertakes to periodically update the Committee Secretariat on the development of his or her entrepreneurial career, as well as to communicate any changes in his or her contacts.

The candidate also undertakes to notify the Secretariat of any waiver of the withdrawal of the visa within three months from the issue of the *nulla osta*, or of the conversion of the visa into a permit within 180 days from the same date, or in any case of his/her waiver of creating an innovative start-up in Italy.

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':

Sono autorizzate a restare in Italia con permesso di lavoro autonomo.

- 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: Procedura che non è nelle Linee Guida: possono richiedere la riconversione del permesso di soggiorno. Se ci sono ancora quote possono convertire il permesso da autonomo a dipendente.
- Their business plan changes after approval: Questa procedura non è normata. Dipende se il business resta una start up innovativa o no. Esistono margini di tolleranza ma bisogna rimanere nell'ambito dell'innovazione tecnologica.

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:

Tax relief schemes exist. Whoever invests in an innovative start-up, even the founder, can deduct, having an important tax incentive up to 30% of the invested capital (ceiling 300,000 30% of 1 M). This is implicit in the summary sheet of the start ups, and applies to all start ups.

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).*

The Report to the Parliament on the state of implementation of the legislation supporting start-ups and innovative SMEs of the year 2016 presents the main results of a survey conducted on the first participants in the start-up visa programme. The most important criticalities, still valid today, mainly concern the delay in granting a residence permit that impacts on some logistical aspects crucial for the life in Italy of the recipients of the program, such as the housing situation and the possibility of buying a car; it slows down the beginning of startups, because even if the product or service ready, it is not possible to set up a business in the absence of a residence permit; it adds a factor of further time extension to the family reunification procedures, making it problematic to use the standard procedure in the short term. Moreover, among the main obstacles to business activity in our country, the language barrier, the lack of information

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on regulations, the bureaucratic burden and the lack of contact with the Italian ecosystem of innovation have emerged.⁵⁷

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).*

The same startup Hub program can be considered a good practice with respect to the retention of non-EU citizens regularly residing in Italy and who want to establish an innovative start-up.

See Q18 II. Incentive Measures - 'Access to incubation/Accelerator Support Programme', which includes initiatives at regional, university and private level to promote business acceleration and incubation.

In addition, it can also be cited: Incubator Province of TRENTO 'Trentino Sviluppo'⁵⁸.

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)? N/A

Yes. Please elaborate and answer Q24b.:

No

Q25b. Do you have any information or statistics on the **misuse of migratory pathways**⁵⁹ for start-ups and innovative entrepreneurs in your (Member_ State? N/A

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.

NA

Existing figure: 3,2 % of innovative start-ups are made up of many partners from third countries. In numbers: 325 out of just over 10,000.

As far as the profitability of TCNs startups is concerned, the following table, taken from the database of innovative startups registered as of June 10, 2019, concerns the turnover expressed by the startups in the last financial year for which data are available (2017):

<i>Newly established societies</i>	50,15%
0-100.000 euro	33,44%
100.001 - 500.000 euro	13,31%
500.001 - 1.000.000 euro	1,24%
1.000.001 - 2.000.000 euro	1,86%

As a result, about 15% of the innovative start-ups founded by foreigners participating in the dedicated policy have a turnover of more than 100,000 euros. However, if we exclude companies that have not yet filed a balance sheet because they were recently established, the percentage of companies with a "significant" turnover reaches 33%.

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

The above mentioned OECD report.

As monitoring:

⁵⁷ https://www.mise.gov.it/images/stories/documenti/Relazione_annuale_startup_e_pmi_innovative_2016.pdf

⁵⁸ <https://www.trentinosviluppo.it/>

⁵⁹ Misuse of migratory pathways refers solely to the cases in which someone has used the start-up visa/residence permit channel but does not intend to really set up a business and does not refer to potential illegal practices start-ups may be involved in as part of their business.

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- Monitoring reports are drawn up every 3 months on the start-up visa;
- Summary sheet: 4 reports on specific measures;
- Every year - not yet for 2019 - an annual report is drawn up to the all-inclusive parliament with demographic analysis of the members of the start-ups, etc..

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?

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
