

EMN Study 2019

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

National Contribution from Spain

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

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.

In Spain, the first steps towards a comprehensive strategy on start-ups have been taken. There has been a lot of improvement related to the process of starting-up a business. In the last years, setting up a SME has become easier, with less and less proceedings and also less time consuming, making Spain in general a more business friendly environment for all. As most of the start-ups are small and medium size companies, at the beginning at least, in Spain we considered vital making it easier from a practical point of view the process of setting up a new business, an especially a SME.

So far, national legislation has been improved and adjusted in order to not jeopardize Spanish competitiveness and boost the attraction of international talent. The preliminary results on this change of policy are so positive that there's a specific "Law on the promotion of a start-up ecosystem" under preparation, which will give an answer to the need of a comprehensive strategy on start-ups mentioned before, one that considers the peculiarities of these initiatives and of those of their founders.

On top of that, to make it easier for TCNs to come to Spain and launch a start-up, there was an important law in 2013 that removed the migratory barriers that had been identified, and created migratory pathways for innovative entrepreneurs, investors, highly qualified employees and researchers. Thus, Spain made much easier to launch international start-ups, and for the start-up founders to hire employees from abroad.

Since the special migratory scheme for innovative entrepreneurs (AKA, entrepreneurs residence permit) was put in place, there is a faster, easier and more convenient permit for this collective, with a one-stop-shop, known as the Large Companies and Strategic Groups Unit, where the applicant presents online all the documents requested and in up to 30 days they get their permit. If no decision is reached within said period, the permit will be deemed to be granted due to administrative silence. So, in practice it never goes beyond the 30 days period.

The process for renewing the permit is often even easier, as the business plan doesn't need to be assessed but the first time in many cases, and so it can take even less time to make a decision on the renewal, as long as the start-up is in business. That poses, at the same time, a challenge, as determining whether or not the start-up exists is not as easy as it could seem.

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For those would-be entrepreneurs from third countries that have not yet decided in which country to start-up their innovative business, a special visa was created also in 2013, of one year duration, that allows the holder to stay in Spain, make contacts, talk to future investors, compare the start-ups programs and hubs, get familiar with the market, and get all the information they need to set up their business in our country, if that's their wish.

All in all, from a migratory standpoint, the regulation is as good as it gets, considering that there are aspects that need to be checked always before granting a residence permit, but these innovative entrepreneurs enjoy even more rights and advantages than other migrants, but at the same time the process and the requirements are lighter for them, for the sake of competitiveness. They can combine their entrepreneur activity with a part-time job (also carry out a self-employed activity) for their own financial support until they can live on their business.

Finally, for those who tried it but didn't succeed, there's the possibility to switch to another migratory category after the first year, and in such cases, there is a requirement that they do not have to comply with, and it's the one related to the national situation of the labour market. So, they are not forced to leave the country, and maybe in the future try starting-up a business again.

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

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

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

Yes. Please describe briefly:

In Spain, the first steps towards a comprehensive strategy on start-ups have been taken, and there's much more coming (see Q1b):

- *At a national level, there has been a lot of improvement related to the process of starting-up a business. In the last years, setting up a SME has become easier, with less and less proceedings and also less time consuming, making Spain in general a more business friendly environment for all. As most of the start-ups are small and medium size companies, at the beginning at least, in Spain we considered vital making it easier from a practical point of view the process of setting up a new business, an especially a SME.*
- *On top of that, specific start-up schemes have been put in place, such as Rising Start-ups Spain, which offers co-working spaces, mentoring, assistance and even 10.000 € grants. That's maybe the better known scheme, but there are many public and private programs supporting innovative entrepreneurs and start-ups (hundreds, indeed), and that is at the same time a strength and a weakness: the offer is too wide, and it makes it tough to have a proper knowledge of all of them, compare them, and choose the best one. So, from the business perspective (not the migratory one), the offer and the information is atomized.*
- *Moreover, to make it easier for TCNs to come to Spain and launch a start-up, there was an important law in 2013 (Act 14/2013, of 27 September, of Support to Entrepreneurs and their Internationalization) that removed the migratory barriers that had been identified, and created migratory pathways for innovative entrepreneurs, investors, highly qualified employees and researchers. Thus, Spain made much easier to launch international start-ups, and for the start-up founders to hire employees from abroad.*
- 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:

On top of what has been said in Q1, currently a specific law on start-ups is being prepared. Its provisional name is "Law on the promotion of a start-up ecosystem". The first step in the legislative procedure is a public consultation, that has already been launched, and which is available on this link (<https://avancedigital.gob.es/es-es/Participacion/Documents/anteproyecto-ley-startups.pdf>).

This future law is in fact mentioned in the Spanish National Reform Programme 2019 as an expected output, so there's a high chance that it will be ready in 2019, or 2020 at the latest.

No

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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:

*Act 14/2013, of 27 September, of Support to Entrepreneurs and their Internationalization (hereinafter, Act 14/2013) defines "entrepreneurial activity" in **article 70.1** as follows:*

*"**Entrepreneurial activity** will be deemed to be any **innovative activity of special economic interest for Spain** that, as such, has obtained a favourable report issued by the relevant Economic and Commercial Office of the geographic area or by the Directorate-General for International Trade and Investments".*

The public consultation aforementioned for the future law on start-ups also refer to these as "recently created companies, usually founded by entrepreneurs, technology-based, innovative and with a high potential for rapid growth".

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 briefly¹:

Some requirements are nationwide, such as: register with the Social Security system, as in Spain every worker (self-employed or employee) must pay their social security contributions. It is also mandatory to get registered with the Tax Agency, in order to pay their taxes in due time. And get the license at the municipality, if needed.

Moreover, if there is a legal entity to be created, it has to be done before a Notary public, and it is also mandatory to get registered at the Mercantile Registry.

Other requirements, though, might differ, depending on the type of company, as there is sectorial legislation to comply with when launching an activity. Also, depending on the municipality in which the company is set, the requirements/permits may vary, as some of them (especially related to the characteristics of the worksite or store) are set by the municipalities.

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

As it happened with the requirements, in Spain the process of setting up a business vary depending on the type of business. As this is a start-ups study, hereafter it will be explained the process applicable to entrepreneurs as self-employed persons, and also as one-person enterprises, because those are the two most commonly figures used to set up a start-up:

- **ENTREPRENEURS AS SELF-EMPLOYED PERSONS:**

The process is quite straightforward, as it can be easily done on the internet. There is a system called CIRCE that allows them to do most part of the paperwork in one click. On CIRCE the entrepreneur-to-be will fill the form called DUE (for Single Electronic Document, in Spanish), and CIRCE will send it to all the authorities that are involved in the process:

¹ 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 Social Security: Once they get the DUE, they will register the entrepreneurs in the system, and also their employees, if they have them.*
- *The Tax Agency: Through the DUE the entrepreneur is communicating the Tax Agency the start of an economic activity.*
- *Reserve the commercial name or brand: If they have one, the Patents and Trademarks Office will take note of it, to prevent any other company from using it.*
- *Licenses from the Municipality: If there is a need for a license in order to conduct the economic activity, the DUE will be sent to the municipality to get it done. Currently many, but not all, municipalities participate on CIRCE- If there is no need for a licence, but for a notification to the municipality, the DUE will play that part too.*
- *Employment Offices: If the entrepreneur is going to hire employees from the very beginning, the DUE will also be sent to the Employment Offices for them to take note of them.*

What CIRCE and the DUE do NOT cover yet is: the notification of the opening of the workplace (it is only covered so far in the regions of Madrid and Murcia), obtaining the books and their legalization, and, if applicable, other registrations with other authorities or organisms.

- *ONE-PERSON ENTERPRISES: As a legal entity is going to be created, the process is a bit longer. Firstly, the company has to be created before a Notary public, then a tax has to be paid for it to the regional authority, and finally, it can be registered at the Mercantile Registry. Once the company has been legally created and registered, the rest can be done on CIRCE.*

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

It takes around 12.5 days in practice to set up a business in Spain, according to the Doing Business 2019 report. Nonetheless, there is a program called “Launch in 3” that allows to set up a business in 3 days, provided all the requirements are met. It is online, and more than 1.500 municipalities have already adhered to it..

Q3d. What is the cost to register a business?

We have no official data about that because it will depend on the municipality the business is set. As an example, setting up a business in the city of Barcelona will cost around 500-600 euros, plus other costs associated to the renovation and opening of premises, if applicable, or a larger sum if the initial capital of the company is important (as there is a tax associated to the capital). The 500-600 euros cover the Notary public expenses (from 300 euros), registration at the Mercantile Registry (from 100 euros), legalization of the books (17 euros per book), and around 20 euros for the reservation of the commercial name or brand.

Please note that if the entrepreneur opts for not constituting a legal entity, and rather be a self-employed person, none of the aforementioned costs will apply. It could be done for 0 euros, plus the books if they need them.

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:

Yes. Almost all of the official policies and programmes, as España Emprende (Spain starts businesses, from the Spanish Chamber of Commerce: <https://emprende.camara.es/>), or the Strategic

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Framework on SMEs 2030, aim to make Spain as a competitive and attractive country for entrepreneurship as possible. This Strategic Framework, for instance, is based on a previous diagnosis of the SME ecosystem (international, European and national policies, as the situation and specific needs of SMEs), from which challenges and opportunities were identified, and the action plan was designed.

In the preparation of the Strategic Framework on SMEs2030 also participated the National Committee for SMEs, consisting of representatives from the Ministry of Industry, Commerce and Tourism, other Ministries involved, regional and local administrations, representatives of SMEs business organizations and trade unions, representatives of social economy organizations and also from the Chamber of Commerce.

According to the Strategic Framework, the main administrative barriers identified and addressed were:

- *Simplification of the process to set up a business, reducing even more the time consumption, the cost and the number of proceedings.*
- *Providing mentoring and support to SMEs to foster their growth.*
- *Simplification of sectorial regulations.*
- *Improve coordination among the different administrative bodies involved.*
- *Foster the participation of SMEs in public procurement call for tenders.*
- *Simplification of the access to credit lines and grants and more information on public grants.*
- *Create even more digital tools and platforms to facilitate the red tape for SMEs.*
- *Develop a one-stop shop for innovation and also more grants and credits for innovation.*

More: <https://industria.gob.es/es-es/Servicios/MarcoEstrategicoPYME/Marco%20Estrat%C3%A9gico%20PYME.pdf>

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

Yes. Please describe:

In Spain there are many ecosystems throughout our territory. Many of them, of public nature, have been set by regional and local authorities (cities), whereas others have private nature. They are called DIH, or Digital Innovation Hubs, and, so far, there are 65 in Spain, according to the European Commission Smart Specialization Platform (<http://s3platform.jrc.ec.europa.eu/dihs-per-country>) :

DIH Name	City
<i>AIR4S - Artificial Intelligence & Robotics for Sustainable Development Goals</i>	<i>Madrid</i>
<i>Associació Clúster Digital de Catalunya</i>	<i>Barcelona</i>
<i>Barça Innovation Hub (BIHUB)</i>	<i>Barcelona</i>
<i>Barcelona Activa SA SPM</i>	<i>Barcelona</i>
<i>Barcelona Science Park</i>	<i>Barcelona</i>
<i>Basque Digital Innovation Hub (BDIH)</i>	<i>Bilbao</i>
<i>BIC EURONOVA S.A.</i>	<i>Málaga</i>
<i>Canary Island Digital Innovation Hub (CIDIHUB)</i>	<i>Santa Cruz de Tenerife</i>
<i>Catalonia AI DIH</i>	<i>Barcelona</i>
<i>Centre d'Innovació i Tecnologia de la UPC (CIT UPC)</i>	<i>Barcelona</i>
<i>Centro Nacional de Tecnología de Riegos (CENTER)</i>	<i>San Fernando de Henares (Madrid)</i>

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<i>Cluster of Sustainable Building of Andalusia</i>	<i>Padul</i>
<i>Cybersecurity Innovation HUB</i>	<i>León</i>
<i>Data Science and Computational Intelligence Innovation Hub (DaSCII Hub)</i>	<i>Granada</i>
<i>Digital Farming Hub</i>	<i>Lleida</i>
<i>Digital Innovation Hub Andalucía Agrotech</i>	<i>Sevilla</i>
<i>Digital Innovation Hub for the Galician Agrifood Sector (Part of the Bioeconomy Hub)</i>	<i>Santiago de Compostela</i>
<i>Digital Water Innovation Hub (Digital Water)</i>	<i>Lleida</i>
<i>DIH on Healthcare – Basque Country (SALUD 4.0)</i>	<i>Vitoria</i>
<i>DIHBU Industry 4.0</i>	<i>Burgos</i>
<i>Dinapsis DIH</i>	<i>Benidorm</i>
<i>Ecosistema W</i>	<i>Badajoz</i>
<i>EcoSysTem Hub for the promotion of hIgh perforMance compUting cloud-based modeLling and sImulation services</i>	<i>Barcelona</i>
<i>espaitec Science and Technology Park</i>	<i>Castellon</i>
<i>ETICOM, Digital economy cluster in Andalusia</i>	<i>Seville</i>
<i>Experience-based industries Hub (e!xperience)</i>	<i>Barcelona</i>
<i>Fundación Cajamar</i>	<i>Almeria</i>
<i>Galician Automotive Hub</i>	<i>O Porriño</i>
<i>Galician Factory of Future HUB</i>	<i>Vigo</i>
<i>GALician manufACTuring Innovation ConsortiA (GALACTICA)</i>	<i>O Porriño</i>
<i>Granada Health Technology Park</i>	<i>Granada</i>
<i>Granada Plaza Tecnológica y Biotecnológica</i>	<i>Granada</i>
<i>HPC-Cloud and Cognitive Systems for Smart Manufacturing processes, Robotics and Logistics.</i>	<i>Zaragoza</i>
<i>Hub 4.0 of Manufacturing Sectors in Valencian Region</i>	<i>Valencia</i>
<i>iAsturias 4.0</i>	<i>Gijon</i>
<i>Industrial Ring</i>	<i>Barcelona</i>
<i>Industrial Technology Knowledge Linares DIH</i>	<i>Linares</i>
<i>Innovalia ZDM Digital Innovation Hub</i>	<i>Amorebieta-Etxano</i>
<i>Innovation for Manufacturing in the South (I4MSOUTH)</i>	<i>Murcia</i>
<i>Insomnia Digital Innovation Hub</i>	<i>Valencia</i>
<i>International Advanced Manufacturing 3D Hub (IAM 3D HUB)</i>	<i>Barcelona</i>
<i>IoT Catalan Alliance</i>	<i>Barcelona</i>
<i>IoT DIH</i>	<i>Carbajosa de la Sagrada</i>
<i>IoT-SmartSantander DIH</i>	<i>Santander</i>
<i>ITI Data Hub (The Data Cycle Hub)</i>	<i>Valencia</i>
<i>i4CAM HUB (Innovation for competitiveness and advanced manufacturing)</i>	<i>Tomelloso</i>
<i>La Salle Technova Barcelona</i>	<i>Barcelona</i>
<i>National Digital Contents Hub, POLO</i>	<i>Málaga</i>
<i>NAVARDMIHub: Navarra Region Digital Manufacturing Innovation HUB</i>	<i>Cordovilla - Navarra</i>
<i>Neàpolis</i>	<i>Vilanova i la Geltrú</i>

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<i>Parque Tecnológico de Andalucía (PTA)</i>	<i>Malaga</i>
<i>REIMAGINE Textile</i>	<i>Mataró</i>
<i>RIOHUB</i>	<i>Logroño</i>
<i>RoboCity2030</i>	<i>Madrid</i>
<i>Robotics Digital Innovation Hub</i>	<i>Seville</i>
<i>Science and Technology Park Of Almeria, PITA S.A.</i>	<i>Almeria</i>
<i>SEK Lab EdTech Accelerator</i>	<i>Madrid</i>
<i>Smart City Valladolid and Palencia (Smart City VyP)</i>	<i>Valladolid</i>
<i>SmartCityTech</i>	<i>San Sebastián</i>
<i>Spanish Digital Innovation Hub for HPC (esHPC)</i>	<i>Barcelona</i>
<i>STP CARTUJA</i>	<i>Seville</i>
<i>Technologies for Efficiency Digital Innovation Hub Extremadura</i>	<i>Badajoz</i>
<i>TECNOCAMPUS TECHNOLOGY PARK</i>	<i>Mataró</i>
<i>5GBarcelona</i>	<i>Barcelona</i>
<i>5TONIC Open 5G Lab 5TONIC</i>	<i>Leganes, Madrid</i>

Please note that the aforementioned hubs and ecosystems are not the only ones existing in Spain, but these are coordinated and belong to a well-known network.

From those 65, 47 are fully operational, and the rest are in preparation. Relating to the services they provide start-ups with:

- *42 offer Awareness creation.*
- *59 offer Ecosystem building, scouting, brokerage, and networking.*
- *20 offer Visioning and Strategic Development for Businesses.*
- *54 offer Collaborative research.*
- *46 offer Concept validation and prototyping.*
- *50 offer Testing and validation.*
- *18 offer Pre-competitive series production.*
- *18 offer Commercial infrastructure.*
- *12 offer Digital maturity assessment.*
- *42 offer Incubator/accelerator support.*
- *15 offer Voice of the customer/product consortia.*
- *27 offer Market intelligence.*
- *19 offer Access to funding and investor readiness services.*
- *24 offer Mentoring.*
- *57 offer Educational and skills development.*

The market sectors they focus on are: Agriculture, Hunting and Forestry (28), Fishing (4), Mining and Quarrying (7), Electricity, Gas and Water Supply (21), Construction (18), Wholesale and retail trade (14), Hotels and Restaurants (9), Transport, Storage and Communication (28), Financial intermediation (7), Real Estate, Renting and Business Activities (9), Public Administration and Defence (18), Education (28), Health and Social Work (31), Manufacture (43).

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.

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Both cities and regions have been playing a protagonist role in creating and supporting entrepreneurial ecosystems and hubs in Spain. In relation to the cities, it is to mention that not only big cities, such as Madrid or Barcelona, but medium-size and really small ones have risen to the challenge of attracting innovative entrepreneurs by offering services and venues specially designed to cover all their logistic, technical and advisory needs.

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 activities².

In Spain there are not sectors nor industries in which there is a clear goal to attract innovative entrepreneurs. Of course start-ups are commonly developed within the ICT sector, or through the use of technologies and digital platforms, but there is not a document, plan or programme in which one sector or industry is preferred over another. As long as it is an innovative project with a great potential, it is welcome, no matter the industry.

² <https://ec.europa.eu/eurostat/documents/3859598/5902521/KS-RA-07-015-EN.PDF/dd5443f5-b886-40e4-920d-9df03590ff91?version=1.0>

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

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

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

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

Act 14/2013 model of visas and residence permits is aligned with the most developed models in the OECD aiming to attract and retain talent, investment and foreign entrepreneurship, and that's not a coincidence. It perfectly shows the interest of Spain to be among the most interesting countries in Europe not only for international entrepreneurs, but also for international students and highly qualified employees, both having a great potential to become innovative entrepreneurs. So, we aim to attract start-ups and would-be start-ups.

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

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

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

Yes, the Spanish legislation foresees special entrance and residence visa/permits for those foreign nationals who intend to start up, develop or run a business activity as entrepreneurs.

In relation to visas, there is a special Visa to enter and reside in Spain for a one-year period with the sole or primary purpose of making preliminary arrangements in order to be able to develop an enterprising activity.

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

In relation to residence permits, there is an entrepreneurs residence permit valid for two years throughout the national territory to start up, develop or run a business activity as entrepreneur. Please note that where Act 14/2013 says "entrepreneur" it refers to "innovative entrepreneurs" as one of the requirements to participate in this scheme is developing an innovative activity. Holders of permits may apply for their renewal for two-year periods, as long as they continue to meet the conditions that generated this right.

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

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

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

The main reason that led to the adoption of that scheme was the 2013 National Reform Programme, which stated that the internationalization of the Spanish economy demanded a simplification of the migration requirements for those talented professionals and innovative entrepreneurs that could be interested in investing and starting up an innovative business in our country, showing a clear commitment towards qualified migration and business migration.

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

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In 2013, with the adoption of the Act 14/2013. After an evaluation was undertaken in 2015, some amendments were also introduced to the scheme, making it even simpler. Some of the changes that were introduced were related to the family members of the start-up founder, as the evaluation showed that third country nationals are more likely to have a partner and children than to be single, and that their family members usually accompany them in their movements. Since 2015 their right to get visas and residence permits for their family members, also includes their domestic partner, children of age but financially dependent and dependent relatives in ascending line.

There was also a simplification relating the red tape, as a one-stop-shop for innovative entrepreneurs was put in place. Thus, the third-country national who is legally in Spain and wants to develop an innovative activity of special economic interest for our country will only have to go to the Large Companies and Strategic Groups Unit (or UGE), which, ex officio, will request the report on the entrepreneurial activity from the Directorate General of International Trade and Investments.

Prior to the reform, the entrepreneur had to request the report from the Directorate-General for International Trade and Investment first, and, once they had it, request their permit to the Large Companies and Strategic Collectives Unit.

With this modification, the process is somehow simplified and a greater coordination within the procedure between both units is promoted.

On top of that, since 2015, Act 14/2013 identifies all the elements that must necessarily be included in the business plan, thus offering increased legal certainty.

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

Prior to Act 14/2013, the system revealed major shortcomings. Regarding entrepreneurs, the temporary residence and work permit for self-employed workers, where they were framed, has major shortcomings because it is restricted to a geographical area not exceeding that of an autonomous region³ and to a specific sector, which posed barriers to market unity. Furthermore, the Ministry of Economy and Competitiveness was not involved in decisions to award these permits, so business projects were not assessed from a trade perspective.

These regulations had been drafted with a view to protecting the domestic market rather than supporting the internationalisation of the economy. These shortcomings compromised the flexibility required of the system by the modern economy and undermined its competitiveness. As a result, and as revealed by the OECD Open for business study, in 2007-2008, Spain had one of the lowest rates of entrepreneurship among its foreign population in comparison to other European countries.

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

N/A

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

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

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

³ In Spain there are 17 autonomous regions.

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No. Please explain:

In Spain there is already a national scheme for highly-qualified employees, also regulated in the Act 14/2013, which is valid throughout all the national territory (not regionally constraint). It is ideal for start-ups, as the employee has to be sponsored either by a large company, or a small and medium size business belonging to a sector considered strategic, which is certified by a report from the Directorate-General for International Trade and Investments. Please note that under this scheme the start-up can also hire a graduate, or postgraduate from renowned prestige universities and business schools, profile of the most interest for start-ups. There is another advantage in this scheme, and it is related to the salary of the employee, as it doesn't need to be as high as in other schemes, as the Blue Card scheme, that requires it to be at least 1,5 times the average salary in that profession.

Permit procedure. The residence permits included in this section will be processed by the Unit for Large Companies and Strategic Economic Sectors (UGE), including the use of electronic means, and they will be decided upon by the Directorate-General for Migrations. The maximum decision-making period will be twenty days from the filing of the application in the competent body. If no decision is reached within said period, the permit will be deemed to be granted due to administrative silence.

Holders of these permits may apply for their renewal for two-year periods, as long as they continue to meet the conditions that generated this right. The renewals will be electronically processed. The Directorate-General for Migrations may request the reports necessary for making a decision on the maintenance of the conditions which generated the right. The filing of the application for renewal shall extend the validity of the permit until termination of the procedure. It shall also be extended in the event that the application is filed within the ninety days after expiry of the previous permit, without prejudice to the filing, where applicable, of the appropriate sanction procedure.

So, all in all, the law already offers the possibility of hiring highly-qualified professionals from third countries through a fast, flexible and easy procedure.

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:

N/A

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:

As already mentioned, a specific Law on Start-ups is being prepared. The legislative procedure has already begun, although it is in an early stage. The future law is even mentioned in the National Reform Programme for 2019.

No.

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

N/A

Yes. Please explain:

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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:

A policy debate has been taking place since the beginning of this decade, and it has proved to be quite effective, as it brought a new migratory scheme for innovative entrepreneurs in 2013, and soon the scheme is going to be upscaled from a migratory scheme to a holistic scheme for start-ups, reuniting all the efforts that are being made and all the programmes displayed in one single act.

It is worth mentioning, too, that the debate is not only taking place at a national level, but also at a regional and local level. All the Administrations are making their best to ease the process and the requirements to set up businesses and to make our country a more attractive one for international investors and entrepreneurs.

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:

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- 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 model⁴, prior registration in the MS, etc)?

The requirements related to the activity are as follows:

- *Applicants must meet the legal requirements necessary to start up the activity, as settle out in the relevant sectorial legislation.*
- *The activity has to be proved “entrepreneurial”, as defined in Article 70.1 of Act 14/2013: any **innovative activity** of special economic interest for Spain that, as such, has obtained a favourable report issued by the relevant Economic and Commercial Office of the geographic area or by the Directorate-General for International Trade and Investments. Please note that the assessment of the economic/commercial aspects of the scheme are not carried out by the migration authorities, but by the economic and commercial authorities.*
- *There is no minimum capital requirement.*

To evaluate if the activity is entrepreneurial the Spanish system is based on a case by case analyses. In any case, it should be taken into account (ex, Article 70.2 of Act 14/2013):

- *The creation of jobs will be particularly taken into account, although it not being mandatory. It will also be considered:*
- *The applicant’s professional profile, his/her training and professional experience as well as his/her involvement in the project. If there are several partners, the participation of each one shall be assessed, not only of those requesting a visa or permit, but also the participation of those that do not require them.*
- *The business plan including, at least, the following elements:*

1st: Description of the project: business activity to be performed, start-up date, location, planned legal form of the company, potential economic impact of the

⁴ "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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investment, description of the estimated number of jobs that may be created and their duties and qualification, planned promotion activities and sales strategy.

2nd: Description of the product or service: the description shall be detailed and include the innovative aspects.

3rd: Market analysis: assessment of the market and expected evolution, description of the possible competitors, assessment of potential consumers and analysis of supply and demand.

4th: Financing: investment required, sources of financing and financial plan.

- *The added value for the Spanish economy, innovation and investment opportunities.*

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:

The commercial and economic aspects (the requirements concerning the activity) are assessed by the Ministry of Industry, Commerce and Tourism, either through the Commerce Offices abroad (when applied from outside Spain) or through the Directorate-General for International Trade and Investments, whereas the migratory requirements are assessed by the Ministry of Labour, Migrations and Social Security, in particular, by the UGE mentioned before.

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: *As said in Q10, it will have to include, at least, the description of the project, the description of the product or service, a market analysis and the financing details.*
- Means of financing (e.g. bank statements). Please explain: *Included in the business plan.*
- Patents, trademarks, intellectual property. Please explain:
- Qualifications and diplomas of the start-up founder. Please explain:
- Evidence of registration in a national commerce register. Please explain:
- Others. Please explain: *Information about the creation of jobs. Other documents that provide extra information can be submitted, and thus will be taken into account, but are not mandatory.*

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

The maximum processing time is 10 days, and it never goes beyond that point, because the entire process (activity report + UGE assessment) can last up to 30 days, and the permit is granted automatically from day 31 (if a decision is not taken before that deadline).

Q11d. How long after the decision has been communicated to the applicant, s/he can register their company/apply for the residence permit? Please explain: *There is not a deadline for that in the Spanish system, but if at some point a control is run and the entrepreneurs have not set up their start-up yet, their residence permit can be revoked. Besides, in order to renew their permit (in two-years time) they will have to prove they are actually running their start-up, or else, it won't be renewed, and they will have to move to another country, or to apply for a different permit.*

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

- Online. Please explain: *From the application to the decision, and the communications are fully online.*
- In person. Please explain:
- Other. Please explain:

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

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

- Start-up founders. Please explain:

For visas to enter and stay in Spain for a one-year period with the sole or primary purpose of making preliminary arrangements in order to be able to develop an enterprising activity, applicants have to comply with the Schengen Borders Code and the Visa Code, as applicable, and meet the following conditions, along with the positive report on the business plan from the Spanish Commercial office:

- a) *Not be in Spain in an irregular situation.*
- b) *Be over 18 years of age.*
- c) *Have no criminal record in Spain or in the countries where they have resided for the past five years, for criminal offenses defined in the relevant Spanish legislation.*
- d) *Not be subject to an alert issued for the purposes of refusing entry in the territorial space of countries with which Spain has signed an agreement in this regard.*
- e) *Have a public or private health insurance policy with an insurance company authorised to operate in Spain.*
- f) *Have sufficient financial resources for themselves and for the members of their families during their residence in Spain.*
- g) *Have paid the visa or authorization processing fee.*

This visa allows them to reside and work in Spain for one year. By the end of that year they will have to apply for the entrepreneurs residence permit at the UGE (as they are in Spain) and prove their start-up is already operative.

- 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:

For an entrepreneurs residence permit for two years (renewable) valid throughout the national territory to start up, develop or run a business activity as an innovative entrepreneur, applicants shall provide evidence of compliance with the following conditions:

- h) *Not be in Spain in an irregular situation.*
- i) *Be over 18 years of age.*
- j) *Have no criminal record in Spain or in the countries where they have resided for the past five years, for criminal offenses defined in the relevant Spanish legislation.*
- k) *Not be subject to an alert issued for the purposes of refusing entry in the territorial space of countries with which Spain has signed an agreement in this regard.*

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- l) *Have a public or private health insurance policy with an insurance company authorised to operate in Spain.*
- m) *Have sufficient financial resources for themselves and for the members of their families during their residence in Spain.*
- n) *Have paid the visa or authorization processing fee.*

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:

Those who apply from abroad will need a visa, whereas those applying from Spain under another migratory category don't, so they just need the residence permit.

Besides, the business activity assessment will be carried out by the Spanish Commercial Office in that country, instead of the Directorate-general for International Trade and Investments.

Start-up employees. Please explain:

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

Yes. Please explain:

- No. *No, they are not. But holders of an entrepreneurs residence permit are entitled to carry out a job or be self-employed at the same time as they run their start-up. The only requirement is that their entrepreneur activity must be the main one, and the employment or self-employment, accessory.*

Q13. How is the application processed? Please explain:

As it has been previously explained, the application is submitted to the UGE, and the UGE will split it in two parts: the migratory application and the activity information. The activity file (business plan included) is then sent to the Directorate-General for International Trade and Investments, who will assess the fulfilment of all the requirements related to the activity.

The migratory file is resolved by the UGE itself, in 20 days, once the report of the Directorate-General for International Trade and Investments has been evacuated.

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

The applicant has to submit their file only before one authority: the UGE (the migratory one), which centralizes the entire process.

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

Online. Please explain:

The entire process to get the residence permit is online, on the Ministry of Labour, Migrations and Social Security online site. All the documents can be electronically uploaded, and the notification will also be communicated through this site. The applicants can also check the status of their file on this same site.

In person. Please explain:

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The application for the visa, however, has to be done personally before a Spanish Consulate, although it is possible to do it through a representative, and it is quite fast, as it will be issued in up to ten days.

Other. Please explain:

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

Yes, they can. There are several schemes that can be used for that purpose:

- *The **highly-qualified employees scheme**, also regulated in Act 14/2013, which is valid throughout all the national territory (not regionally constraint). It is ideal for start-ups, as the employee has to be sponsored either by a large company, or a small and medium sized business belonging to a sector considered strategic, which is certified by a report from the Directorate-General for International Trade and Investments. Please note that under this scheme the start-up can also hire a graduate, or postgraduate from renowned prestige universities and business schools, profile of the most interest for start-ups. There is another advantage in this scheme, and it is related to the salary of the employee, as it doesn't need to be as high as in other schemes, as the Blue card, that requires it to be at least 1,5 times the average salary in that profession.*

- *Through the **researchers scheme**. Some start-ups that are born inside a University recruit talent through the researchers residence permit that is also regulated in Act 14/2013:*

*“Those foreign nationals who intend to enter Spain, or who holding a stay or residence permit, wish to carry out training, research, development and **innovation activities in public or private entities**, shall obtain the corresponding residence visa or a residence permit for training or research which will be valid throughout the national territory in the following cases: a) Research staff referred to in article 13 and the first additional provision of Act 14/2011, of 1 June, on Science, Technology and Innovation. b) Scientific and technological staff carrying out scientific research, development and technological innovation work, in business entities or R&D&I centres established in Spain. c) Researchers subject to an agreement with public or private research bodies, under the conditions set out in the regulations. d) Lecturers recruited by universities, higher education and research bodies or centres, or business schools established in Spain, in accordance with the criteria set out in the regulations”.*

- *Also through the **Blue card scheme** This scheme is an option for those start-ups that do not fulfil all the requirements (basically, belong to a sector considered strategic), this other scheme also allows to hire third country nationals. The main difference with the highly-qualified employees scheme is that it depends on the national situation of the labour market in Spain (there will not be possible to hire professionals in sectors where the unemployment rate in Spain is high, and, thus, there are enough candidates already in Spain looking for a similar job), the salary should be at least 1,5 times the average salary in that profession (which has proven to be challenging), and the time to get the permit is longer (45 days).*

- *Also through the **national scheme for foreign employees**. Similar to the previous one, it takes longer to get the permit (3 months), and it also depends on the national situation of the labour market. No salary requirements, though.*

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

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The maximum processing time can be 20 days, if it is done from outside of Spain (10 days to get the one-year visa, and 10 days to have the positive report on the activity from the Commercial Office), or 30 days if done in Spain (10 days to get the report of the Directorate-General for International Trade and Investments, about the fulfilment of all the requirements related to the activity, and 20 days to get the two-year residence permit).

In practice, it never goes beyond that, because otherwise it deems to be granted due to administrative silence.

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

There is a special Visa to enter and stay in Spain for a one year period with the sole or primary purpose of making preliminary arrangements in order to be able to develop an enterprising activity.

Apart from that, the residence permit for innovative entrepreneurs is valid for two years throughout the national territory. Holders of permits may apply for their renewal for two-year periods, as long as they continue to meet the conditions that generated this right.

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, organization, 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 main challenge is to determine which business plans are viable and have real potential, and are innovative, and that's a challenge for the Directorate-General for International Trade and Investment. Many business plans are clearly not in the line of what it should be, that's their main complaint and the reason behind the high rate of rejections.

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, organization, 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 one-stop-shop is one of the most important good practices regarding the admission of innovative entrepreneurs in our country. It is good from a TCN point of view, as it is far war easier for a person who doesn't know the functioning of the Spanish Administration to have an only office with which communicate regarding their application. Also, from an internal perspective, it allows a simple and complete communication and coordination between the two main bodies that participate in this process: the migratory and the commercial authorities.

Besides, the fact that the activity requirements (business plan and other documents) is being assessed by the commercial authorities, and not by the migratory authorities, is one of the best practices that we can highlight, as migratory authorities are not specialists in both fields.

A third strength of the Spanish admission system lays on the monitoring of the entrepreneurs permits. These controls aim to assess whether the holder of the permit has indeed started-up the business or not, not having to wait till the renewal (in 2-year time) to check it. This measure also has a deterrent effect toward a misuse of the scheme by applicants that could see this permit as an easy way to enter in Spain, and apply for it, despite not being interested at all in setting up a business. The result of that monitoring activities can be the revocation of the permit.

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]

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

- Q14a.** What types of **visas / residence permits** does your (Member) State have in place that could be used by TCN start-up founders / innovative entrepreneurs to establish themselves in your country?
- Q14b.** What are the **requirements** for obtaining the residence permit?
- Q14c.** What are the **factors/conditions that incentivise** start-ups and innovative entrepreneurs to use specific immigration routes?
- Q14d.** Which **authority** (ies) is/are responsible for granting the residence permit?
- Q14e.** What is the **processing time** for application for the residence permit in your legislation? Please explain distinguishing between (i) maximum processing time set in legislation and (ii) average processing time in practice:
- Q14f.** What is the **duration** of the visa/residence permit?
- Q14g.** Could the start-up founder **employ third-country nationals**? Under which scheme? What are the conditions that they have to fulfil?
- Q14h.** What are the **challenges** regarding admission of start-ups and innovative entrepreneurs from the national stakeholders' perspective as well as if possible, from the TCNs perspective? *For each challenge mentioned, please describe a) for whom it is a challenge (e.g. policy-maker, organisation, other stakeholders), b) why it is considered a challenge and c) what is the source of the statement – e.g. based on input from experts, surveys, evaluation reports or from other sources (please indicate which ones).*
- Q14i.** What are the **good practices** identified in your (Member) State? *For each good practice mentioned, please describe a) for whom it is a good practice (policy-maker, organisation, other stakeholders), b) why it is considered a good practice and c) c) what is the source of the statement – e.g. based on input from experts, surveys, evaluation reports or from other sources (please indicate which ones).*

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

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

- Q15.** Please consider the following fictional scenarios (case studies) and for each scenario, please answer the following questions:
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. *What are the migratory pathways (visas/residence permits) available? **Vihaan is a clear candidate to get an entrepreneurs permit, as he apparently meets all the requirements.***
2. *Would the person qualify for the permit and if yes, under what specific conditions? **Yes, provided he meets the requirements mentioned in Q10 (for the activity) and Q12 (for migration).***

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3. Which authority would assess the eligibility of the applicants? *The visa application will be done by the Spanish Consulate in Delhi. The business plan will be assessed by the Spanish Commercial Office in India, and, once he is in Spain he will have one year to apply for the residence permit for entrepreneurs before the UGE, who will assess his application.*
4. What is the application process? *As he is in India (outside of Spain), he needs to get the visa for entrepreneurs at the Spanish Consulate, and also submit the business plan to the Spanish Commercial Office in India to get it assessed.*
5. How long would it take for the person to obtain the permit? *10 days for the visa + 10 days for the activity report.*

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. What are the migratory pathways (visas/residence permits) available? *Amel could get her permit either through the entrepreneurs scheme or the TCNs self-employed scheme.*
2. Would the person qualify for the permit and if yes, under what specific conditions? *Yes, provided he meets the requirements mentioned in the law related to the activity she wants to carry out (the sectorial legislation, nothing to do with her condition as a migrant), and the rest of migratory requirements. All in all, they are: not being illegally in Spain, no criminal records, no entry bans in Spain, comply with the requirements for opening and running the projected activity, possess the required professional qualification or accredited experience, sufficient for the professional activity, as well as, where appropriate, the memberships required, Be able to prove that the planned investment is sufficient and if applicable, the creation of jobs; and being able to prove that she has sufficient financial resources for her maintenance, apart from the necessary funds to run the activity.*
3. Which authority would assess the eligibility of the applicants? *The UGE, if she opts for the entrepreneurs permit, or an Aliens Office, for the self-employed scheme.*
4. What is the application process? *As she is already in Spain she will have to apply for her new residence permit: at the UGE, if she opts for the entrepreneurial permit, or at an Aliens Office for the self-employed scheme.*
5. How long would it take for the person to obtain the permit? *30 days for the entrepreneurs permit (20 + 10), or 3 months for the self-employed scheme.*

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?

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1. *What are the migratory pathways (visas/residence permits) available? Sergei should ask for a entrepreneurs residence permit*
2. *Would the person qualify for the permit and if yes, under what specific conditions? Yes, provided he meets the requirements mentioned in Q10 (for the activity) and Q12 (for migration).*
3. *Which authority would assess the eligibility of the applicants? The visa application will be done by the Spanish Consulate in Minsk. The business plan will be assessed by the Spanish Commercial Office in Russia (no office in Belarus), and, once he is in Spain he will have one year to apply for the residence permit for entrepreneurs before the UGE, who will assess his application.*
4. *What is the application process? As he is in Belarus (outside of Spain), he needs to get the visa for entrepreneurs at the Spanish Consulate, and also submit the business plan to the Spanish Commercial Office in Russia to get it assessed.*
5. *How long would it take for the person to obtain the permit? 10 days for the visa + 10 days for the activity report.*

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

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

1. *What are the migratory pathways (visas/residence permits) available? The entrepreneurs permit would be ideal for her, although she could also opt for the self-employed scheme.*
2. *Would the person qualify for the permit and if yes, under what specific conditions? Yes, provided she meets the requirements mentioned in Q10 (for the activity) and Q12 (for migration).*
3. *Which authority would assess the eligibility of the applicants? The UGE (the migration requirements) and the Directorate-General for International Trade and Investments.*
4. *What is the application process? As she is already in Spain, she only has to apply before the UGE, who will review her application in 20 days, and will send the business plan to the Directorate-General for International Trade and Investments, who will have 10 days to issue their report. For her, it will be a one-stop shop, as the rest of the steps are managed internally.*
5. *How long would it take for the person to obtain the permit? Up to 30 days.*

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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:

- **Access to permanent residence:** *Start-up founders have two paths towards long-term residence in Spain. The first one, common to any TCN, is having lived in Spain legally for 5 years. The second one, more specific for this collective, is by contributing notably to the economic, scientific or cultural progress of Spain, or to the projection of Spain abroad. In these cases, the Ministry of Labour, Migrations and Social Security is the responsible for granting the long-term residence permit, on the report of the head of the Ministry of the Interior.*
- **Access to employment:** *Holders of the entrepreneurs residence permit are allowed to carry out a job or be self-employed at the same time as they run their start-up. The only requirement is that their entrepreneur activity must be the main one, and the employment or self-employment, accessory.*
- **Possibility to be accompanied by family members:** *Innovative entrepreneurs enjoy better conditions than the rest of migrants in relation to get visas and residence permits also for their family members, which also includes their domestic partner, children of age but financially dependent and dependent relatives in ascending line. There is no one-year waiting period for family reunification (as they accompany him/her from the first day), neither special requirements to do so apart from those to ensure their financial support.*
- **Family members allowed to access the labour market:** *Family members are entitled too to carry out a self-employed activity, or to take a job.*

No

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

From a migratory point of view, the only actor is the State Administration. From an economic or commercial point of view, though, there is an atomization of initiatives, actors, programs, and offers. So, it is just unrealistic for us to consider each and every initiative (there are more than 1.800 that we know of), so in this study we will speak generally when talking about the economic/commercial leg, providing, where possible, some examples.

- Private sector. If yes, please elaborate how are they involved: *In the Starting-up in Spain program, which aims to attract innovative entrepreneurs from EU and non-EU countries, there are a lot of private companies that offer their services to international entrepreneurs. Most of them are business angels (up to 41 business angels associations participate in this program), and also 9 crowdfunding platforms, and 3 Venture capital national funds. Currently there are also 36 credit institutions that offer especial funding channels for start-ups (many offer information also in English or just in English, so they are clearly oriented to international entrepreneurs).*
- Universities and Higher Education Institutions (i.e. encouraging international students to stay as start-up entrepreneurs). Please elaborate: *Some Universities have been developing their own hubs and have their own start-ups schemes. The University of Valencia and the University of Navarra, for example, have created funds to promote and support projects and technologic solutions created inside their Universities.*

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Local and regional authorities (e.g. cities and regions). Please elaborate: *Many regional and local authorities have been developing their own hubs too and ecosystems. Some of them are mainly oriented towards local entrepreneurs, whereas others are open to international participants. Besides, cities play an important role, which consists in providing advice to the new-comers to ensure a soft landing.*

Other actors. Please elaborate:

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

Yes. Please explain: *Through the Starting-up in Spain and the Invest in Spain initiatives there is a collaboration between both public and private sector. The actors are the Spanish Commercial Offices abroad, as they are located in countries where Spain has interest in investing and attracting investment from.*

But the main programme is Rising Start-up Spain, because it is focused on third country nationals, and there participates both the public and private sector. The program has up to 9 months duration, starting from the date of the incubation, and offers the following services of for participating start-ups:

- *Obtaining visas through a fast-track (entrepreneurs residence permit already mentioned). –*
- *Free working space in the cities of Madrid and Barcelona during the entire duration of the program. In particular, the winning start-ups will be able to choose between three of the leading incubators in Spain: Barcelona Activa, Madrid International Lab and the Telefónica company, through its Open Future initiative (WAYRA).*
- *Specialized mentoring adapted to the needs of each start-up; more specifically, advice will be offered on market entry strategies, sources of financing and contact with potential investors and customers, among others.*
- *Non-reimbursable direct financial assistance worth € 10,000.*

No

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

I. RIGHTS

Rights	Brief description of the rights granted
Facilitation to access permanent residence	<i>Yes, but not through a reduction in time.</i>
Access to employment	<i>Yes</i>
Possibility to be accompanied by family members	<i>Yes, at the same time, not having then to wait for one year to enjoy family reunification (as occurs in the general regime), and only by proving they can financially support their family members.</i>
Family members allowed to access the labour market	<i>Yes</i>
Other rights (please specify)	

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

Measure	Brief description of the measure	Are the attraction measures campaign-like or permanent measures?	Who implements the measure? (state, private sector, in cooperation etc)	Applies to:	
				TCNs only	General
Facilitations for admission; <i>If yes, please explain what they entail (shortened processing time, reduced documentary requirements etc.)</i>	<i>Through the entrepreneurs scheme there are many facilitations for admission: a one-stop-shop system, online application, online communication with the authorities involved, shortened processing time, lesser requirements, family members facilitation for admission.</i>	<i>Permanent</i>	<i>State</i>		
Access to special funding and investments (e.g. micro-loans)	<i>There are many loans and micro-loans available, and even grants (for instance, the Rising start-up Spain program, which give grants of 10.000 euros, or the SME Instrument, which gives up to 50.000). The loans with really interesting conditions for entrepreneurs are granted by the Ministry of Economy (Official Credit Institution-ICO loans), and by the Ministry of Industry, Commerce and Tourism (Emprendetur I+D+I, Emprendetur Young Entrepreneurs, and Economy and Digital Society Startegic Action). Ultimately, there are loans without guarantor for entrepreneurs and young entrepreneurs, through the Ministry of Economy and through the Centre for Industrial Technological development (like the Programme Neotec, for technological companies of less than 4 years old).</i>	<i>Both</i>	<i>State and private sector.</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Co-working and dedicated spaces (facilities for shared use of start-ups/businesses)	<i>At many hubs are co-working spaces available for start-ups. Here the Rising Start-up Spain is one example: it offers free co-working space in Madrid and Barcelona.</i>	<i>Permanent</i>	<i>State (regional and local level), Universities, private sector too.</i>	<input checked="" 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
Access to incubation/accelerator support programmes	<i>As it was mentioned before, 42 out of the 65 hubs identified in Spain as DIHs offer the incubator/accelerator services. Apart from them, there are also others not included in that list.</i>	<i>Permanent</i>	<i>State (regional and local level), Universities, private sector too.</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Tax incentives (benefits, reductions, exemptions, etc.)	<i>There are reductions for the Social Security contributions for self-employed persons, but they are available for all self-employed, not only start-ups, not only TCNs. But of course, they can enjoy them, and it's an incentive.</i>	<i>Permanent</i>	<i>State (Social Security)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Consultation services/facilitators help in networking/accessing networks	<i>As it was mentioned before, 59 out of the 65 hubs identified in Spain as DIHs ecosystem building, scouting, brokerage, and networking services. Apart from them, there are also others not included in that list, as for example, the Rising Start-up Spain scheme.</i>	<i>Permanent</i>	<i>State (regional and local level), Universities, private sector too.</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Training programmes for start-ups	<i>57 out of the 65 hubs do offer educational and training skills services, and again, there are others not included in that list.</i>	<i>Permanent</i>	<i>State (regional and local level), Universities, private sector too.</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Financial support to cover administrative and/or staff costs	<i>These costs can be covered through the Rising Start-up Spain grants, for example.</i>	<i>Campaign</i>	<i>State</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other special incentives <i>Please add new rows as applicable</i>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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

In fact, most of the above-mentioned measures are especially available to third country nationals already present. Only the Rising Start-Ups Spain is specifically targeted at TCNs outside Spain.

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

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

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

Currently, the main dissemination tool we have is Starting-up in Spain. Apart from that, there are other initiatives to promote investment in Spain, but it is not only targeted to innovative entrepreneurs, but to investors in general. It is called Invest in Spain, and it's run by the Commercial Offices of Spain abroad, as Starting-up in Spain. All of these initiatives are disseminated through the Commercial Offices of Spain abroad and through the ICEX (Spanish Institute for Trade and Investment).

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:

Spain already has one, called Starting-up in Spain.

http://www.investinspain.org/invest/wcm/idc/groups/public/documents/documento_anexo/mde3/nzy4/~edisp/dax2017768205.pdf

No.

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

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

No.

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

Hubs and locations for start-ups (e.g. cities). If yes, please elaborate: *Spain is the European country where apparently there are more hubs and ecosystems. Recently Google has set a Google Camp in Madrid, for instance. That is an important pull factor, the wide offer of professional services for start-ups, although other European countries have stronger hubs.*

Culture. If yes, please elaborate: *Culture and language are a pull factor for entrepreneurs from Latin American countries, for the similarities, whereas it can be a challenge for entrepreneurs from other countries in the world.*

Socio-economic factors (e.g. living costs). If yes, please elaborate: *Spain is a quite competitive country in term of living costs, as well as for the quality of life. Entrepreneurs will need a substantially smaller sum to set up and run a business in Spain than in other countries where the cost of living is up to a 50 % higher. Salaries are also moderate, and the labour market is quite dynamic, with no labour shortage in almost any category.*

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Other (please specify):

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

As a State, one of the main challenges is to be attractive enough to attract the best and most talented entrepreneurs. The competition is heavy worldwide, with many countries pushing to be in the pole position. For that, Spain, and any other country, needs to further specialize in this business segment, as the traditional approaches have proven to be inadequate to accommodate these innovative entrepreneurs. And do it fast.

The evaluation report on Act 14/2013 that took place in 2017 also insists on the need to better promote and disseminate the entrepreneurs residence permit at a national and international level, and target those groups that have higher chances of making use of it in the future. The use of social networks is recommended in the evaluation report for this task.

Besides, from the entrepreneur's perspective, a pull factor could be a better access to the wide offer of start-up programs (hubs, funding options, incubators, marketing assistance, funding opportunities...). Spain has leading-edge programs of the greatest interest for start-uppers, provided they get to know them all. Having a centralized site where all this information could be easily accessed would be an upgrade of Spain's position on the entrepreneurs map. The access to finance is still a challenge, but the funding options are getting better every day, and in the last year that has dropped one position among the main concerns start-uppers in Spain have, according to the Entrepreneurship Map 2018.

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

The one-stop-shop to get the residence permit for innovative entrepreneurs has proven to be a pull factor in itself. When the services offered from a business point of view are reasonably good in most of the European (and non-European) countries, the fact that migrating is easy and fast, for the entrepreneur and their family members, can make the difference from the entrepreneur standpoint.

Combining the entrepreneurs activity with a part time job (as an employee or as a self-employed) and the possibility to stay in the country under another migratory category if they no longer fulfill the requirements to hold the entrepreneurs residence permit have proven good not only for attracting but also for retaining these talented and pioneering profiles. Having an extra income until the business is profitable buys them time to consolidate their projects and to build up a network of contacts, suppliers, clients, business angels for this or future start-ups. As they can stay and try it again, immediately or after some time, there is no reason, from a migratory point of view, to leave the country they chose to set up their businesses, their families and their lives.

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

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

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

Yes. Please describe: *Yes. The entrepreneur residence permit is renewable, for a two-year period, as long as the applicant continues to meet all the requirements.*

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: *Two years.*

a permanent residence. Please describe: *After five years of continued residence in Spain, the entrepreneur could apply for the long-term residence permit, provided they fulfil all the requirements.*

Q23c. What are the **main requirements for renewal** of an initial start-up visa/residence permit? *The same as to get it in the first place. They just have to continue meeting the same requirements and prove their start-up is in business.*

Q23d. Is the actual establishment of the business checked by the responsible authorities when deciding on the extension of the residence permit? *Yes, it is. It is mandatory in order to renew the permit to actually be running the start-up.*

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

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

As long as the entrepreneurs run innovative businesses, they can renew the entrepreneurs residence permit, no matter the size or age of the company.

- 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:

This is quite a common scenario. In this case, the entrepreneur might present a new business plan and apply for a new residence permit, or apply for another residence permit, provided they meet the requirements (self-employed scheme, highly-qualified professionals national scheme, employees scheme, students, researchers...).

- Their business plan changes after approval: *Any modification to the initial application has to be communicated to the UGE in a 30 days period. Provided it continues to be an innovative activity, they will keep the permit.*

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

Simplified renewal process *The process for renewing the permit is often easier, as the business plan doesn't need to be assessed but the first time in many cases, and so it can take even less time to make a decision on the renewal, as long as the start-up is in business. That poses, at the same time,*

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a challenge, as determining whether or not the start-up exists is not as easy as it could seem, and in these cases the renewal is not simpler, but similar to the first application.

Tax relief schemes

Others. Please elaborate: *For those who no longer fulfil the requirements to hold the entrepreneurs residence permit, we offer them to stay under other migratory categories, and in such cases, there is a requirement that they do not have to comply with, and it's the one related to the national situation of the labour market. So, they are not forced to leave the country, and maybe in the future try starting-up a business again.*

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).*

From our experience, most of the projects fail, and so the innovative entrepreneurs rarely renew their entrepreneurs permits under the same projects. Those who stay in the country choose to do it under another migratory category, or under the same but with a new business proposal. So, the main challenge is not a migratory one, but an economic one. It would be interesting to evaluate the reasons why these companies have failed and assess whether there is something that could have been done to prevent it. So, our challenge is to identify why the most part of these projects fail, and try to put in place the required measures to prevent that from happening, where possible.

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).*

As previously mentioned, combining the entrepreneurs activity with a part time job (as an employee or as a self-employed) and the possibility to stay in the country under another migratory category if they no longer fulfill the requirements to hold the entrepreneurs residence permit have proven good not only for attracting but also for retaining these talented and pioneering profiles. Having an extra income until the business is profitable buys them time to consolidate their projects and to build up a network of contacts, suppliers, clients, business angels for this or future start-ups. As they can stay and try it again, immediately or after some time, there is no reason, from a migratory point of view, to leave the country they chose to set up their businesses, their families and their lives.

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

Yes. Please elaborate and answer Q24b.: *We have identified that a part of the applications have not well-founded projects (business plans), and the real intention of the applicant is to have access to a more convenient migratory pathway. Of course, those applications that are identified as such are turned down.*

No

Q25b. Do you have any information or statistics on the **misuse of migratory pathways**⁵ for start-ups and innovative entrepreneurs in your (Member_ State)?

⁵ 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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No.

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

In this regard, we cannot know for sure. We have the statistics of how many entrepreneurs renew their permits under the same category, and how many switch to another status under the general regime. But one entrepreneur can run more than one start-up (46 % do), and one start-up can be run by several entrepreneurs (82 %). Besides, the start-up founder could also switch to another migratory category out of the general regime (for instance, to a European citizen relative, marrying an EU citizen or having children born in the EU). So, currently we have no way of knowing that for sure.

We have, nevertheless, statistics at a national level, not distinguishing between nationals/EU citizens/TCNs. According to the Entrepreneurship Map 2018, last year start-ups in Spain lasted more than 2 years on average (2,3 years, from 1,87 in 2017), and 2 out of 3 (66 %) survive at least 18 months. They hire an average of 7 employees per start-up (+ 1 in comparison to 2017), and 29 % declare turnovers above 150.000 euros. In 2018, 17 % start-ups had a positive EBIDTA (shows how attractive and profitable a company is). So, they are becoming healthier, stronger and more long-lived. Specially interesting is the fact that female entrepreneurs have a higher survival rate in their projects than male entrepreneurs (22 % of failure for women, 51 % for men).

On the other hand, as the Entrepreneurship Map 2018 states, 80 % of start-up founders in Spain aim to sell it to a large company or corporation. So, apparently, the destiny of a start-up is not to survive as long as possible, but to be sold as soon as possible. Those with a positive EBIPTA are most likely to be sold in the short term.

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

There have been evaluations on the migratory national scheme, as it is foreseen in Act 14/2013. The first evaluation took place in 2015, and the report pointed towards certain aspects that still constituted barriers to these migrants. Thus, the Act was amended in 2015 in order to solve those weaknesses.

Some of the changes that were introduced were related to the family members of the start-up founder, as the evaluation showed that third country nationals are more likely to have a partner and children than to be single, and that their family members usually accompany them in their movements. Since 2015 their right to get visas and residence permits for their family members, also includes their domestic partner, children of age but financially dependent and dependent relatives in ascending line.

There was also a simplification relating the red tape, as a one-stop-shop for innovative entrepreneurs was put in place. Thus, the third-country national who is legally in Spain and wants to develop an innovative activity of special economic interest for our country will only have to go to the Large Companies and Strategic Groups Unit (or UGE), which, ex officio, will request the report on the entrepreneurial activity from the Directorate General of International Trade and Investments.

Prior to the reform, the entrepreneur had to request the report from the General Directorate for International Trade and Investment first, and, once they had it, request their permit to the Large Companies and Strategic Collectives Unit.

With this modification, the process is somehow simplified and a greater coordination within the procedure between both units is promoted.

On top of that, since 2015, Act 14/2013 identifies all the elements that must necessarily be included in the business plan, thus offering increased legal certainty.

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Another evaluation took place in 2017, whose results led to the proposal of a new and specific law on start-ups, which will have three objectives: adapt the legal framework to the peculiarities of start-ups, create a connected network of accelerators and incubators, and strengthen national and international entrepreneurship meeting.

This last report also insists on the need to better promote and disseminate the entrepreneurs residence permit at a national and international level, and target those groups that have higher chances of making use of it in the future. The use of social networks is recommended in the evaluation report for this task.

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?

According to the statistics, the growth of applications under Act 14/2013 is overwhelming: from around 200 files in 2013, to more than 22.000 in 2018. Although the number of files managed by the Large Corporations and Strategic Sectors Unit (UGE) account not only for entrepreneurs permits but also highly qualified employees and investors, the figure is a clear indicator of the success of the new migratory scheme to attract international talent and investment.

That was possible thanks to the mentioned Act, which put in place a new, simpler, easier and more convenient process to get a residence permit, that is, on the other hand, quite competitive in terms of advantages and benefits: automatic family reunification, the possibility to combine the management of the start-up with a part-time job (either as an employee or as a self-employed), and the ease to renew the permit (as long as they continue meeting the requirements).

From an economic perspective, the figure of the start-up, the social economy and innovation have come to stay, and it is a responsibility of the authorities to ensure that they can exercise their activity in a proper framework, as well as their adequate integration in the national economy. For that it is also necessary to remove any legal barriers that might exist.

In this regard, the adoption in 2013 of the new migratory categories for this group met this concern and adapted the requirements so as not to pose a disadvantage or limitation to the attraction and establishment of international talent and investment. From the point of view of the activity, although the Administration has launched different initiatives to promote the establishment of start-ups, the private sector is at the helm, whose offer of professional and financial services to start-ups is so broad that borders, as mentioned, the atomization, and may hinder the access to information by would-be innovative entrepreneurs, for being dispersed, and varying the requirements and conditions of one program or hub to another.

The future law of start-ups, in the process of elaboration, aims to tackle this situation, and, considering its uniqueness, create an environment that favours their development, with a mercantile and tax regime adjusted to the characteristics of start-ups, and an inclusive economic environment. We believe that taking this step is necessary to further provide legal certainty to innovative national and international entrepreneurs.

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