

European Migration Network

Admitting third-country nationals for business purposes

A Study from the European Migration Network 2015



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DISCLAIMER

This Synthesis Report has been produced by the European Migration Network (EMN), which comprises the European Commission, its Service Provider (ICF) and EMN National Contact Points (EMN NCPs). The report does not necessarily reflect the opinions and views of the European Commission, EMN Service Provider (ICF) or the EMN NCP, nor are they bound by its conclusions. Similarly, the European Commission, ICF and the EMN NCPs are in no way responsible for any use made of the information provided.

The Focussed Study was part of the 2014 Work Programme for the EMN.

EXPLANATORY NOTE

This Synthesis Report was prepared on the basis of National Contributions from 24 EMN NCPs (**Austria, Belgium, Croatia, Cyprus, Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, United Kingdom**) according to a Common Template developed by the EMN and followed by EMN NCPs to ensure, to the extent possible, comparability.

National contributions were largely based on desk analysis of existing legislation and policy documents, reports, academic literature, internet resources and reports and information from national authorities. Statistics were sourced from Eurostat, national authorities and other (national) databases. The listing of Member States in the Synthesis Report results from the availability of information provided by the EMN NCPs in the National Contributions.

It is important to note that the information contained in this Report refers to the situation in the above-mentioned (Member) States up to and including 2015¹ and is based on the contributions from their EMN National Contact Points where more detailed information on the topics addressed here may be found. It is strongly recommended that these are consulted as well.

EMN NCPs from other Member States could not, for various reasons, participate on this occasion in this Study, but have done so for other EMN activities and reports.

¹ Statistics generally run until 2013 (2014 in some cases), whereas the latest developments in Member States as of 1 January 2015 have been taken into account where relevant.

EXECUTIVE SUMMARY

KEY POINTS TO NOTE:

- ★ Designing and implementing policies/programmes and schemes to attract and facilitate the admission of third-country nationals for business purposes is a **growing phenomenon**. More than half of all EU Member States seek to **actively attract** investors and business owners, while supporting international mobility: they implement specific programmes by **providing incentives** and **easing restrictions** on entry and/or stay.
- ★ The admission of third-country national investors and business owners is not harmonised at EU level. Member States have designed and implemented **specific programmes** for these groups according to national priorities and needs and national legal frameworks show considerable variety with regard to the definitions and **categories** of third-country nationals admitted and the 'incentives' that are made available. In many cases, national approaches have been introduced **relatively recently**, and in response to the economic crisis, which accounts in part for the limited availability of supporting statistics and evaluation information available to better understand the phenomenon.
- ★ Other categories of business persons include (but are not limited to) the six pre-defined categories of "**natural persons**" providing services, under the specific commitments of the General Agreement on Trade in Services (**GATS**) and **EU free-trade agreements**; however these categories are not recognised by all Member States and are not distinguished in practice by existing definitions in all Member States.
- ★ In terms of **migration policy design**, Member States strive to find the **right balance** between incentives and rights offered to third-country nationals on the one hand and admission criteria which guarantee effective controls and secure borders on the other. Member States exercise their competence to design policy to favour economic migration, by **picking and choosing measures and criteria** they deem will best meet their national needs whilst also meeting the requirements of and acting as incentives to business persons.
- ★ **Higher-rate immigration** Member States with tailored programmes for business persons have

developed and / or adapted them with the aim to better meet the needs of their national markets and seek higher economic benefits. Detailed admission criteria are purposely designed to target specific groups of third-country nationals whose presence would constitute a certain added value to host country, a region or a specific economic sector.

- ★ In **lower-rate immigration** Member States, immigrant investors' programmes may have been more recently designed as economic recovery measures or, more ambitiously, to act as (regional) hubs for investments. In other Member States, however, immigration for business purposes does not seem to be a priority, or to be attributed any higher degree of attention.
- ★ Member States rely on their standard **measures to detect any misuse / abuse** of the business channel by migrants to the EU. Controls applied at admission stage are used by Member States to detect cases of *potential misuse / abuse*, and it is usually at the moment of the renewal of the residence permit or when specific inspections are carried out, for example, that *actual* misuse/abuse becomes manifest.
- ★ **Few specific instances of misuse/abuse of the investor route** by third country nationals has been reported. **For business categories, some incidences have been identified in specific sectors**, including construction, catering / restaurants, IT services, transport, accommodation, trading services, financial services, retail, agriculture and cleaning services.
- ★ Though **evaluations** undertaken to assess the contribution of such programmes to the national economy are limited, the study reveals that some Member States have **adapted their programmes over time** to refocus on specific priorities, whilst introducing procedural adjustments to improve effectiveness and address misuse and abuse.

WHAT DID THE STUDY AIM TO DO?

The aim of this EMN Study was to provide an analysis and further understanding of the **policies and specific conditions** in place in EU Member States that regulate the admission for business purposes of:

- ★ **Non-EU investors** who are not yet present/resident in any Member State (admitted

on a long-stay visa or residence permit for the purpose of making a (substantial) financial investment either in financial products or in a business but without involving in the day to day operations or in the management of business);

- ★ **Non-EU business owners** who are not yet present/resident in any Member State (admitted on long-stay visa or residence permit to the Member State to i) set up a business and be involved in its management; ii) take over the running of a business or businesses and be involved in its management; iii) or for self-employment;
- ★ Other third-country nationals who travel to the EU for business reasons ("**other business persons**"), including (but are not limited to) the six pre-defined categories of "**natural persons**" providing services, under the specific commitments of the (**GATS**) and **EU free-trade agreements**.

The study also sought to compare the ways, and extent to which, EU Member States' existing **legal and policy measures are used to facilitate the admission and stay** of third-country nationals for business purposes whilst safeguarding against misuse.

This Study contributes to the **wider debate on increasing EU competitiveness**, attracting investors and business owners (entrepreneurs), while addressing the mobility of international workers.

WHAT IS THE SCALE OF THE PHENOMENON?

Statistics on **immigrant investors, immigrant business owners and other business persons** were provided by 21 Member States for the period 2009-2013. However, such statistics are **not collected systematically** for each of the categories within the scope of study as they are not recognised by many Member States' national systems or have been introduced too recently to provide comprehensive statistics. In addition, statistics based on the issuing of C-type visas² tend to cover wider groups of third-country nationals, making it difficult to identify with accuracy the categories analysed by this study.

Available statistics suggest that these categories represent only very low shares of overall immigrant populations. In **2013**, the number of residence permits issued to immigrant investors ranged from **94** in **Latvia** to **753** in **Portugal**, while those granted to non-EU business owners ranged from **54** in **Estonia** to **4,179** in **Lithuania**. Member States with **high numbers of applications** (for both categories of immigrant

investors and immigrant business owners) have reported the **lowest refusal rates**.

CAN A TYPOLOGY OF PROGRAMMES BE DERIVED FROM MEMBER STATES' PRACTICES?

National legal frameworks show considerable **variety** with regard to the definitions and categories of third-country nationals admitted for business purposes, and the facilitations that are made available. While the majority of Member States implementing policies to attract non-EU investors and business owners **translate them into specific measures and/or criteria** to provide incentives, an automatic correlation between the two cannot be derived.

A categorisation of existing programmes can be made on the basis of the following four elements:

- ★ **Incentives** i.e. policy measures tailored to attract immigrant investors such as marketing actions, dedicated information portals, favourable tax regimes,
- ★ **Procedural facilitation** i.e. measures to fast-track or ease restrictions to admission such as shorter examination procedures or exemptions from "integration contracts",
- ★ **Qualifying criteria** i.e. entry requirements such as minimum size of investment, evidence of capital, impact on the national economy or evidence of certain entrepreneurial / language skills,
- ★ **Enhanced rights** i.e. accelerated family reunification, direct granting of long-term residence permits or accelerated access to citizenship.

The combination of those may provide an indication of the level of openness to the targeted categories of third country nationals as well as the breadth of target groups Member State wish to attract.

Figures 1 and 2 below provide a visual overview of which Member States have programmes that facilitate the admission of immigrant investors (Figure 1) and business owners (Figure 2). The reference to this information can be found in Sections 2.1 and 2.2.

² The Short-stay visa (Type "C") is issued for one, two or several visits. Its period of validity varies and allows stays which do not exceed three months in any six-month period. According the Regulation No 539/2001, nationals of certain third-countries are exempted from the requirement of being in possess of a visas when crossing the EU external borders.

Figure 1 Overview of Member States with programmes that facilitate the admission of immigrant investors

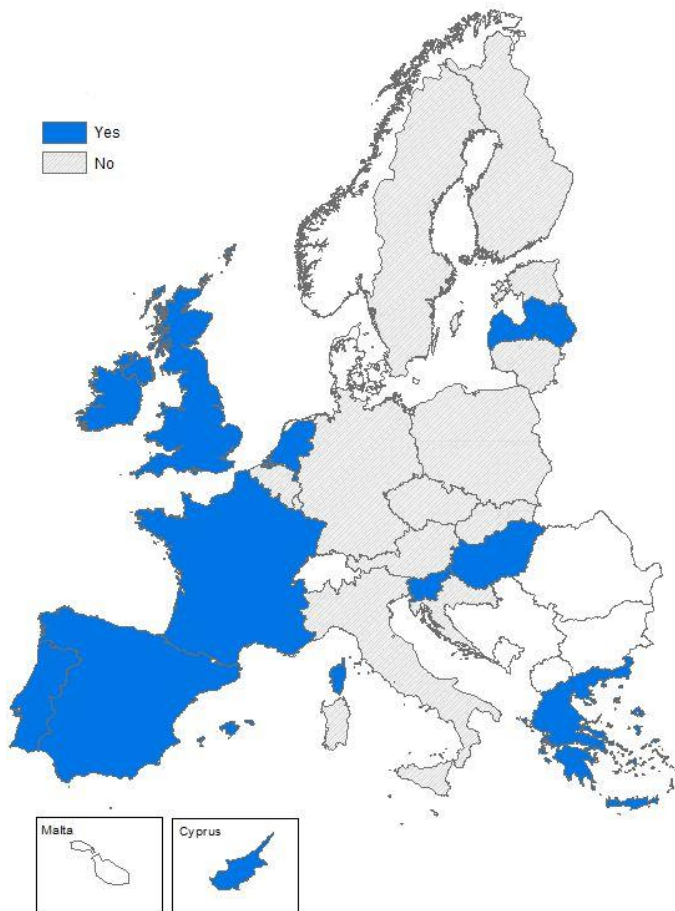


Figure 2 Overview of Member States with programmes that facilitate the admission of immigrant business owners



WHAT MEASURES HAVE MEMBER STATES ADOPTED TO PREVENT THE MISUSE/ABUSE OF BUSINESS IMMIGRATION CHANNELS?

While the terms **misuse** and **abuse** of immigration channels for business purposes are used indiscriminately, measures in place to **monitor, detect and prevent** misuse / abuse differ according to the responsible authorities, the scope of the investigation performed and the type and frequency of controls undertaken.

While some Member States report that thorough controls / verifications are ensured by the competent authorities responsible for the admission of third-country nationals (**BE, EL, ES, FR, IE, IT, LT, LU, LV, NL, PL, PT, SE, SK, UK**), including missions abroad (**CZ, FR, IT, LT, PL, SE, SK**), in other cases, specific bodies are mandated to fulfil this duty.

The Study has reported few specific instances of misuse/abuse of the investor route by third country nationals (real estate in **Latvia**). For the other categories, the main **sectors** where misuse/abuse has been reported include the following categories of business: construction (**AT, BE, DE, FR, PL**), catering/restaurants (**BE, FR, PL, UK**), IT services (**AT, UK**), transport (**AT, PL**), accommodation (**FR, PL**), trading services (**FR, LT**), financial services (**HU, LV**), retail (**PL, UK**), agriculture (**BE, PL**) and cleaning

services (**AT**). Independent Professionals (IPs) were at times found to undertake **bogus self-employment** activities.

HOW HAVE MEMBER STATES EVALUATED THE IMPACTS AND EFFECTIVENESS OF THEIR PROGRAMMES?

Examples of impacts in terms of volume of **investments expected or generated** are demonstrated for four countries (**ES, HU, LV, UK**), while the pool of Member States demonstrating impacts is larger in the case of business owners (**AT, FR, ES, NL, PL, SK**). Investments generated by non-EU business owners in Member States where data was available amounted to nearly **EUR 8 billion** and is supporting the creation of nearly **53,000 jobs**.

Evaluation studies have served the purpose to support the (plan for) **changing existing national approaches**: for example admission criteria have been adapted (normally increasing the investment threshold) to better manage the flow of third-country nationals (**HU, LV, NL, UK**).

WHAT ARE THE MAIN CHALLENGES FACING MEMBER STATES AND THIRD-COUNTRY APPLICANTS?

Challenges were reported by most Member States (**AT, BE, DE, ES, FR, HU, IE, LT, LU, LV, NL, PL, SE, SK, UK**) in the design and implementation of policies to attract and admit third-country nationals for business purposes. Some Member States raised concerns about the difficulty to **counteract the establishment of bogus economic activities** set-up by third-country nationals whose main aim is to simply enter and stay in the Member State (**AT, CZ, HU, LT, PL**) or engage in illicit activities (**SE**), thus misusing the schemes in place.

One of the main challenges is to ensure a **balance** between selective admission criteria able to prevent and reduce abuses and yet provide for favourable channels for genuine third-country investors and business owners (**AT, CZ, LT, LV**). Furthermore, **the complexity of administrative procedures** and ensuring coordination among competent authorities in charge of the implementation of policies is an obstacle to attract immigrant investors and immigrant business owners (**BE, FI, FR, LT, LU, PL**).

With regard to the **stages of admission and stay**, the complexity of application procedures is in some cases reported by Member States as a point of criticism from migrant applicants. Not entirely related to the nature of specific admission programmes, such criticisms are often levelled more generally as remarks in relation to the standard procedures regulating immigration to the EU. In some cases, these procedures are considered rigid, slow and requiring much supporting documentation (**DE, FI, FR, HU, LT, PL, SE**); the different permits and visas are likely to confuse the applicant (**FI, FR, LU, PL, SE**) or are perceived as lacking clarity (**AT, BE, LT**).

Challenges in procedures in relation to **residency requirements** are mostly likely to discourage applicant **immigrant investors (EE, NL, SK, UK)**. The limited **capacity to attract investments** (i.e. hedge funds) **may be also caused by insufficient** popular acceptance of foreign direct investments (**DE**). Finally, difficulties to apply for a residence permits for family members (**LU**) and the limited choices in the form of investment to be made (**UK**) are perceived as barriers. **Immigrant business owners** are reported to face challenges mostly at start-up phase: although being willing to set up business, they encounter obstacles such as limited country-knowledge (**DE, FI, IE, PL**); language barriers (**BE, DE, FI, PL, SK**) and high levels of bureaucracy (**BE, FR, LT, LU, PL, SK**) among others. Few challenges were reported specifically with regard to **other business persons**, some of which common to different categories and a few Member States.

DO MEMBER STATES IDENTIFY GOOD PRACTICES OR LEARN FROM THEIR NATIONAL APPROACHES?

A number of good practices and lessons learnt in attracting and admitting third-country nationals for the purpose of business have been proposed by Member States. These reflect the need for Member States to find **ways to balance flexibility with certainty** and match the demands of investors and business owners for longer visas and permits. They are grouped around a number of themes as follows:

- ★ **Promotion of programmes** (including targeted and well-structured information) for migrant investors and business owners (**BE, DE, EE, ES, HU, IE, LU, NL, PL, SE**);
- ★ **Facilitation of admission procedures** for migrant investors and business owners (**CZ, EE, ES, FR, IE, LT, LV**);
- ★ **Prevention of misuse/abuse** (**EE, LT, NL**).

INTRODUCTION

1.1 AIMS AND RATIONALE FOR THE STUDY

International migration and mobility for business purposes is a phenomenon related to the increasing globalization of investments, business and services. To remain an attractive destination for investors, business owners and other business immigrants, Europe must develop strategies to maximise the opportunities of legal immigration, including through coherent and efficient rules on admission.

The aim of this EMN Study is to take stock of the trend of offering **specific programmes** to attract and admit non-EU investors and/or business persons and to compare the ways, and extent to which, EU Member States' existing legal and policy measures are used to facilitate and attract the entry and stay of third-country nationals for business purposes whilst safeguarding against misuse. The Study also includes a review of the admission of other third-country nationals who travel to the EU for business reasons under the EU Free Trade Agreements.

Contributions to this study were received from 24 Member States³ to map the conditions for entry and stay of immigrant **investors, immigrant business owners and other business persons** and to explore the specific legal migration channels by which Member States facilitate the admission and retention of these categories of immigrants. The Study identifies similarities, differences and good practices with regard to the implementation of specific programmes for non-EU investors and/or business owners willing to come to an EU Member State for business reasons. Finally it identifies and presents examples of challenges and lessons learnt in relation to admission for business purposes, based on Member States' experiences.

1.2 BACKGROUND AND CONTEXT

The increasing internationalisation of business, the so-called "global competition for talent", plus changing patterns of mobility resulting from the liberalisation of services all require that Member States' admission systems are responsive to the realities and needs of the business sector.

The admission and stay of third country national investors and business owners are governed by national legislation and policy. Since the 1960's, national approaches have been realized mainly, but not exclusively, through a series of (non-harmonized) **Bilateral Investment Treaties (BITs)** concluded

with third countries. Such treaties have tended to relate to conditions for investors "post-admission", rather than setting out the specific conditions of their entry. Multilateral and bilateral agreements at EU level are now gradually replacing these bilateral arrangements with clearer provisions for entry to the EU.

The mobility of other business persons involved in the supply of services is accommodated in the EU's schedule of specific commitments of the **General Agreement on Trade in Services (GATS)** and the EU free-trade agreements which include six pre-defined categories of "natural persons" providing services being present in the territory of another country (so-called "Mode 4"⁴).

The Commission's Communication "**Towards a comprehensive European international investment policy**"⁵, notes that the trend for emerging market economies as investors rather than recipients of investment has increased in recent years. The Communication stresses that the EU cannot afford to 'take a backseat in the global competition to attract and promote investment from and to all parts of the world', and indeed the contribution of third-country nationals admitted for investment and business purposes into the EU to boost economic growth and development has been emphasised in several recent EU policy documents⁶. Whilst all Member States admit third-country nationals for business purposes, a growing number are now offering specific programmes to attract investors and business persons to contribute to (sectors of) their economies, offering more favourable conditions for admission and residence, plus other advantages.

Whilst Member States strive to make their immigration schemes "business friendly", immigration authorities are at the same time called upon to ensure a balanced approach, providing for effective border controls and measures to prevent abuse and detect fictitious/bogus or other illegal/criminal activities, while minimising the negative impact on existing businesses and, by extension, on their national economies.

1.3 INFORMATION ON DATA COLLECTION

Statistics on **immigrant investors, immigrant business owners and other business persons** have been provided by 21 Member States for the period 2009-2013. However, such statistics are **not collected systematically** for each of the categories within the scope of study as they are not recognised by many Member States' national systems or have been introduced too recently to provide comprehensive statistics. On the basis of the limited statistics

³ The Study was based on the contributions of EMN NCPs in 24 Member States (**Austria, Belgium, Croatia, Cyprus, Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, the United Kingdom**). The EMN NCP established in Norway has opted out of this Study.

⁴ Article I.2(d) of GATS

⁵ COM(2010)343 final, 7th July 2010

⁶ Conclusions of the European Council (26-27 June 2014)

available, it is not possible to present trends or comparisons between Member States, yet some main points can be derived. In addition, statistics based on the issuing of C-type visas⁷ tend to cover wider groups of third-country nationals, making it difficult to identify with accuracy the categories analysed by this study. Six Member States (**EE, EL, HR, NL, SI, UK**) provided statistics on national D-visa statistics concerning immigrant investors.

In **2013**, the number of applications for residence permits for immigrant investors ranged from **94 (LV)** to **440 (HU)** and **753 (PT)**, while the number of residence permits issued ranged from **94 (LV)** to **434 (HU)**. The number of applications for residence permits for immigrant business owners ranged from **77 (EE)** to **4,670 (LT)**, while the number of residence permits granted from **54 (EE)** to **530 (ES⁸)** and **4,179 (LT)**. Over the period 2009-2013, the number of residence permits for immigrant investors has increased in **Latvia, Lithuania, the Netherlands, Portugal** and the **United Kingdom⁹**, but decreased in **Czech Republic, Estonia** and **Croatia**.

Box 1. Data collection in Spain

Data in Spain are systematically collected as of the entry into force of the new law on 30 September 2014. Figures for investors include a **breakdown per investment category, by country of origin, by destination and relative month of investments**. The 490 out of **530** investors were admitted in 2014 for investments in property, 29 for capital investments and 12 for investments in business ventures. Figures for business owners highlight the spread by economic sector and impact on the economy. The 96% of the activities performed by the **82** immigrant business owners admitted was in the services sector.

Lithuania witnessed a more than three-fold increase in the number of applications for residence permits from immigrant business owners (from **1400** in **2009** to **4,670** in **2013**), which was two-fold in **Sweden** (from **301** in **2009** to **647** in **2013**), while applications made in **Croatia** halved (from **1852** in **2009** to **646** in **2013**).

In the same period, a three-fold decrease in the number of residence permits granted was registered in **Croatia** (from **1434** in **2009** to **555** in **2013**) and two-fold in **Poland¹⁰** (from **2009** in **743** to **287** in **2013**), while the **Netherlands** (from **70** in **2009** to

150 in **2013**) and **Sweden** (from **129** in **2009** to **277** in **2013**) more than doubled their figures. In the **United Kingdom**, figures rose from **125** in **2009** to **805** in **2013**. In **Portugal** the number of applications for residence permits for business owners went down from **384** in **2009** to **148** in **2011** and **85** in **2013**. Immigration for business purpose constitutes the smallest flow to **Sweden, Poland** and **Estonia** (respectively less than 1%, 1.5% and 2% of residence permits granted over the reference period).

Regarding the number of residence permits refused, ten Member States (**CZ, EE, EL, FI, HR, LV, LT, NL, PL, SE**) provided data, ranging from up to a dozen in **2009** (**EE, EL, FI, LT**) to **959** in **2013** (**LT**). In Estonia refusals averaged around **27** in **2009-2013**, while about **40** in Finland, **43** in Poland, **140** in Croatia, **165** in Sweden, **465** in Lithuania and **480** in the Netherlands.

Member States with **high number of applications** (for both categories of immigrant investors and immigrant business owners) have reported the **lowest refusal rate: only one** (out of **331**) application for immigrant investors was refused in **Latvia** in 2010-2013.

Seven Member States (**BE, CZ, EL, IT, NL, PL, UK**) provided statistics on national D-visa statistics concerning business owners. D-type visa applications for business owners have been increasing in some Member States (**BE, HU, LV, PL¹¹, SI¹², UK**) unlike in **Czech Republic**. In 2013, they ranged from **40 (NL)** to **2,454 (UK)**. The refusal rate of D-type visa for business owners was approx. 3% in **Poland**, 12% in **Hungary** and 48.5% in the **United Kingdom**. **Sweden** issued almost 200 national type-D visas for business purposes in 2013.

A total of seven Member States provided figures on the change of status into business owners (**AT, BE, CZ, EL, LV, NL, UK**). Figures vary from up to **5** in **Austria** to **1657** in the Czech Republic in **2013** and **3303** in the **United Kingdom**, where **72%** changed from work to business owner and **26%** from study to business owner.

In **France**, the numbers of long-stay visa and residence permits issued for **Intra-corporate transferees** (ICTs) have been increasing over the period (reaching respectively **2,692** and **3,193** issued in 2013).¹³ In **Spain**, they reached **907** by the end of 2014.

⁷ The Short-stay visa (Type "C") is issued for one, two or several visits. Its period of validity varies and allows stays which do not exceed three months in any six-month period. According the Regulation No 539/2001, nationals of certain third-countries are exempted from the requirement of being in possession of a visas when crossing the EU external borders.

⁸ Visas and permits.

⁹ The United Kingdom does not have residence permits, data included admissions to provide an estimate

¹⁰ Visas issued for the purpose of business, not necessarily "business owners"

¹¹ Visas issued for the purpose of business, not necessarily "business owners".

¹² Data include both immigrant investors and immigrant business owners

¹³ Data can be obtained from the AGDREF software: Application for Managing the Files of Foreign Nationals in France (*Application de gestion des dossiers des ressortissants étrangers en France*). This tool enables users in Prefectures and in the central offices of the Ministry of Interior to manage and consult individual files in shared IT databases.

Table 1.1 Average length of application procedure for immigrant business owners

Decision	Time	Business owners
Visa (or residence permit) application	Few days	LV
	< 1 week	SK
	< 1 month	BE, EE, ES, PL ¹⁴ , SI, UK
	> 1 month	BE ¹⁵ , CZ, FR, LT, SE
Business Registration	Few days	SI, PT, UK
	< 1 week	CZ, EE, LV
	< 2 weeks	LT, SK
	< 1 month	FR, HU, PL
	> 1 month	AT

Data from those Member States who were able to provide it suggests that the average time for a final decision on a visa application for **immigrant investors** ranges from a few days (**HR**) to a week (**LV**) or 10 days (**ES**), to up to a month (**EE, HU, PL, UK**) and more than a month (**FR, IE, SE**). The time it takes for registering a business ranges from less than one hour in **Portugal** to over a month in **Austria**.

The average **age** for immigrant business owners ranges from 33-34 (**CZ, FR**) to 40-45 (**EE, LT**), while immigrant investors are aged between 36 and 45 (**FR, LV, SI, UK**). The average age of **ICTs** in **France** is 35.7.

1.4 STRUCTURE OF THE REPORT

Section 2 of this report provides an overview of national policies and legal frameworks for admitting third-country nationals for business purposes. Relevance is given also to incentives, procedural facilitations and rights provided to/enjoyed by business persons in exchange of fulfilling specific admission requirements. **Section 3** examines the measures to prevent misuse/abuse of these legal channels. **Section 4** provides an overview of the existing evaluation studies as well as challenges and barriers faced by both Member States and third-country nationals. **Section 5** collects good practices and lessons learnt from the application of programmes to attract and admit third-country nationals for business purposes. **Section 6** draws conclusions from the analysis of national contributions, highlighting the attractiveness of existing programmes on the basis of the links between volume of investments and level of requirements.

A Glossary of terms and “Mode 4” categories defined by the EU for purposes of GATS and its Free Trade Agreements (FTAs) is provided in **Annex 1**. **Annex 2** provides an overview / mapping of the policy

framework, admission criteria and measures applied across the EU Member States for the categories of immigrant investors and immigrant business owners.

2 National frameworks for admitting third-country nationals for business purposes

The national rules and policies that regulate **admission for business purposes** on long-stay visas or residence permits, unlike the Schengen rules, are **not EU-harmonised**. Some Member States have designed and implement **specific programmes** for non-EU investors and/or business owners willing to come to the EU to create/participate in business and contribute to economic growth and job creation according to national need, by providing incentives and facilitating entry and stay. Therefore the relevant national legal frameworks differ across Member States.

Third-country nationals may also travel to Member States of the EU for business reasons under rules established by the EU **Free Trade Agreements**. The **temporary movement of natural persons** (TMNP) is one of the four modes of international service supply, under the General Agreement on Trade in Services (GATS). Otherwise known as “**Mode 4**”, TMNP covers the temporary movement of natural persons for the purpose of supplying a service, without persons seeking access to the employment market in the host country. It does not affect measures regarding citizenship, residence or employment on a permanent basis. Six pre-defined “Mode 4” categories are characterised by a prescribed length of stay. Four of these categories include a longer-term perspective (admitted on long-stay visa or residence permits), the first two of which are covered by the recently adopted Directive on Intra-Corporate Transferees.¹⁶

The national framework in place for each of these categories: immigrant investors, immigrant business owners and other business persons (including those migrating under arrangements covered by TMNP) are set out in the sections below.

2.1 IMMIGRANT INVESTORS

2.1.1 OVERVIEW OF NATIONAL POLICIES

2.1.1.1 Definition of immigrant investor

Immigrant investors are broadly defined as ‘*Third-country nationals meeting the criteria set by a Member State and admitted on a long-stay visa to a Member State for the purpose of making a (substantial) financial investment either in financial products or in a*

The tool was supplemented in 2001 by a derived database aiming to produce immigration statistics. Data from 2013 are provisional.

¹⁴ Currently, procedure for applicants filling visa application in Ukraine takes up to couple of months.

¹⁵This is considered the average length of the application procedure for D-Visa and work permit

¹⁶ Directive 2014/66/EU of the European Parliament and of the Council of 15 May 2014 on the conditions of entry and residence of third-country nationals in the framework of an intra-corporate transfer, OJ EU L 157, 27 May 2014.

business but without involving in the day to day operations or in the management of business'.¹⁷

About half of the Member States' legislation and/or administrative procedures specifically provide for admission of immigrant investors, though these may be referred to in different ways or may not be appositely defined (**CY, ES, GR, FR, HU, IE, LU, LV, NL, PT, SI, UK**), or identified with other categories (**HR**). In the rest of the cases such a category is not defined nor admitted under specific migration channels (**AT, BE, CZ, DE, EE, FI, IT, LT, PL, SE, SK**).

2.1.1.2 National policy and institutional framework

In all Member States where immigrant investors are recognised by the national legislation and/or administrative procedures (with the exception of **Croatia** and **Italy**) specific policies exist. While in all these Member States a clear legal basis can be identified, in a few cases such policies are labelled under specific 'brand' names (**ES, IE, HU, NL, PT, SI, UK**). Five Member States (**BE, DE, PL, SE, SI**) proactively promote investments by third-country nationals, though in absence of a specific definition or procedural facilitations for immigrant investors (see section 2.1.2).

Developing and implementing policy to attract immigrant investors may draw on the competences of a range of **authorities / institutions** in Member States. The authorities in charge of the development and promotion of such policies are usually separate. The table below summarises the information collected, providing also an overview of those Member States which have in place specific coordination mechanism among the different actors involved.

Table 2.1 National institutional framework for the development and promotion of policy/programmes to attract immigrant investors of investors policy

Authority	Development	Promotion	Coordination
MI	CY, ES, GR, FR, LV, NL, PL, PT, UK	ES, NL, PL, PT	
MJ	IE, NL	NL	NL, IE
MFA	ES, FR, LU, PL, PT	ES, FR, HU, IE, LU, PL	
MEF	DE, ES, FR, GR, LV, LU, PL, SI, UK	DE, ES, LV, PL	EL, IE
MESS	ES	ES	ES
NP	HU, LV		
NA	DE, IE, LU, NL, PL, PT	CY, DE, GR, FR, HU, IE, LU, LV, NL, PL, SI	
CoC	DE	DE, ES, PL	

Other	EL, LU, PL, SI	PL, SI	IE
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Notes:

MI – Ministry of Interior (or those in charge of immigration)

MJ – Ministry of Justice

MFA – Ministry of Foreign Affairs (or missions abroad)

MEF – Ministry of Economy and Finance (or those in charge of development and competitiveness)

MESS – Ministry of Employment and/or Social Security

NP – National Parliament

NA – National agencies (or universities)

CoC – Chambers of Commerce (or other chambers)

Other – other ministries or specialised agencies

Eight Member States have referred specifically to their **bilateral or other agreements** in place with third countries to attract immigrant investors (**AT, CY, DE, ES, GR, FR, PL, PT, SI**). In **France**, agreements were not signed with the aim to purposely attract immigrant investors, but include provisions to facilitate the circulation visas and the "skills and talents" residence permit of certain categories. In order to facilitate investment in general Member States conclude such Bilateral Investment Treaties (BITs) and can include provisions on how to handle applications of investors for admission/stay on the territory. BITs are applied strategically in practice; **Greece** for example has recently targeted the Persian Gulf Countries (i.e. Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE). **Portugal** signed a Bilateral Protocol with Angola on the creation of a mechanism to facilitate the granting of visas and passports, and remove barriers to the development of business and investment activities. **Spain** signed a Memorandum of Understanding with Mexico, but the mobility of investors was also covered at the XXIV Ibero-American Summit.

Only **Greece** and **Italy** report that admitting third-country nationals as immigrant investors is on the basis of a quota system in their Member State.

2.1.1.3 Objective and type of investments

Member States have identified a number of policy objectives in implementing measure to attract immigrant investors. These can be broadly summarised as follows:

- ★ Contribution/benefit to national economic performance (**BE, CY, DE, ES, FR, HU, IE, LU, LV, NL, PL, SI, UK**);
- ★ Job-creation (**BE, DE, ES, FR, IE, LU, NL, PL, PT¹⁸, SI**);
- ★ Promotion of favourable conditions for (strategic) investments (**BE, CY, ES, GR, LU, PL**); and
- ★ Economic post-crises recovery (**LV**) or minimisation of negative economic effects of economic downturns (**PL**).

These objectives may target a specific geographical area (**DE, HU, LV**) or economic sector particularly relevant to the national economy (**BE, CY, DE, IE, LV**,

¹⁷ EMN Common template (Annex 1 – Glossary)

¹⁸ Not obligatory but is one of the three possibilities for meeting the conditions of the Golden Visa Programme.

LU, NL, PL, SI). Of those countries targeting investments towards specific economic sectors, the most relevant of those sectors are: high-tech (**BE, CY, DE, IE, LU, NL, PL, SI**), energy (**BE, CY, DE, NL, PL**), agricultural production (**BE, GR, NL, PL**), tourism (**CY, GR**) and logistics (**LU, NL**).

With regards to the type of investment, Member States can fall into two broad categories: i) those involving a transaction between the investor and a government; and ii) those allowing for private-based transactions. Member States offer the possibility to immigrate, in some cases through a specific admission scheme, on the basis of an investment in:

- ★ Various financial services, including national (investment) funds / bonds, stocks and endowments (**CY, DE, ES, IE, HU, LV, LU, NL, PL, UK**);
- ★ Enterprises (**CY, DE, ES, GR, FR, IE, LU, LV, NL, PL, SI**).
- ★ Real estate (**CY, DE, ES, GR, IE, LV, LU, PL, PT**); and
- ★ Capital and knowledge transfer (**DE, ES, FR, LU, PL, PT**).

2.1.2 PRE-ARRIVAL STAGE (ADMISSION CRITERIA) AND STAY (RENEWAL)

While the majority of Member States implementing policies to attract investments translate them into specific measures and/or criteria to provide incentives to immigrant investors (**BE, CY, ES, GR, FR, HU, IE, LV, LU, NL, PL, PT, UK**), an automatic correlation between the two cannot be derived.

A categorisation can be made on the basis of **incentives** (policy measures crafted to increase interest among / attract immigrant investors), **procedural facilitations** (measures systematically applied to fast-track or ease restrictions to admission), **requirements** (criteria Member States ask to be fulfilled in order to qualify for the programme facilitating admission and/or stay) and **rights** (granted to successful applicants). The combination of those may provide an indication of the level of openness to immigrant investors and the width of target groups Member State wish to attract.

Incentives include pro-active policy measures such as:

- ★ Marketing activities, by participating to international business fora and fairs to promote national programmes (**BE, CY, ES, FR, GR, IE, LU, PL, PT, SI**);
- ★ Dedicated portals, newsletters and other information tools (**AT, BE, CY, DE, ES, IE, LV, NL, PL, UK**); or
- ★ Creating a 'business-friendly' environment, including favourable tax regimes (**BE, CY, DE, FR,**

GR, LU), a competitive corporate tax rate (**IE**¹⁹), other forms of exemption from (some forms of) taxation (**LU, PL**) or financial incentives (**PL, SI**²⁰).

Procedural facilitations include:

- ★ Short(er) residency requirements than for other categories of migrants (**CY, ES, HU, NL, UK**), enabling investors to spend more time outside the Member State;
- ★ Fast-track examination of applications (**CY, ES, GR**);
- ★ Possibility to file applications abroad (**ES, HU, LV**);
- ★ Exemption from "integration contracts" (**FR, NL**) and (in some cases) medical examination (**FR**).

Requirements to apply for programmes which translate into a specific (facilitated) migration channel for immigrant investors tend to differ across Member States, picturing a very diverse market: however, comparing them is difficult as they vary greatly in function of the policy objective and the type of investment as described in the previous section. An overview is provided below:

- ★ Thresholds for financial investments in **enterprises** (EUR 35,000 in **Latvia**) and **real estate** (EUR 250,000 in **Greece** and **Latvia** and EUR 500,000 in **Portugal** and **Spain**);
- ★ The size of investments in **financial services** are in general required to be much higher (over EUR 1 million in **CY, ES, FR, IE, NL, UK**), with the exception of **Latvia** which allows for Investment in interest-free national securities and **Hungary** where investment in government bonds is for a minimum value of EUR 300,000.
- ★ Where an **investment plan** is required, information on the commercial aspects (nature, volume, planning, expected impact, feasibility, supporting documents, etc.) are assessed by the national competent authorities (**ES, FR, GR, IE, NL**).

The various requirements to qualify as an immigrant investor are set out in the table below.

Table 2.2 Requirements to qualify as an immigrant investor

Requirement	Member State
Minimum financial investment	CY, ES, GR, FR, HU, IE, LV, NL, PT, UK
Investment plan	ES, FR, GR, IE, NL
Impact on national economy	CY, ES, FR, GR, IE, NL, SI

¹⁹ Ireland promotes a 'business friendly' environment through the Immigrant Investor Programme (IIP) with a competitive corporate tax rate, however the IIP contains no special provisions regarding taxation.

²⁰ These are regional State aid in the form of grants in accordance with Commission Regulation (EU) No. 651/2014 of 17 June 2014

Education / professional skills	FR ²¹ , GR
Age	CY, LU, UK
Background checks	CY, GR, FR, HU, IE, LV, LU, NL, SI, UK

In none of the Member States are language requirements imposed on potential immigrant investors. In terms of **rights**, Member States' offers differ considerably: however, certain commonalities do apply, as set out in the table below.

Table 2.3 Rights offered to immigrant investors

Rights	Member State
Family reunification	CY, ES, FR, GR, HU, IE, LV, NL, PT, SI, UK
Access to the labour market for family members	CY, ES, FR, GR, HU, IE, LV, LU, NL, PT, UK
Direct granting of long-term residence permit	CY, GR, HU, UK
Access to social benefits	FR, HU, LU, PT ²² , SI
Accelerated access to citizenship	CY, FR ²³ , SI

Only **Cyprus**, (to a certain extent) **France** and **Slovenia** grant citizenship outside the usual naturalisation procedures: this benefit can be directly linked to the type and (exceptional) size of the investment (**FR**), but not necessarily (**SK**).

Box 2. Cyprus Citizenship Programme

Cyprus has adopted one of the most far-reaching investor programmes in the EU. It entails a **pro-active branding** of the country through international business events abroad and dedicated communication, **fast track procedures** to examine applications, extremely **low residency requirements** (min once every two years). The high **minimum financial investment** (EUR 5 million) is off-set by a **wide portfolio of rights**, which includes accelerated access to **citizenship**.

The **types of document** issued to successful immigrant investors' applicants and their duration also confirm the variety of approaches devised by Member States. In a few cases (**EL, NL, SI**) applicants will need first to obtain a short-term visa or a temporary residence permit before qualifying for a 5-year right to reside. In three Member States (**EL, HU, LU**) the duration is longer than the one granted to other categories of third-country nationals.

Table 2.4 Documents issued per type and duration

Document and duration	Member State
Long-term visa (D type)	EL, ES, LU ²⁴ , SI

1-year residence permit	NL, PT ²⁵ , SI
2-year residence permit	IE ²⁶ , ES
3-year residence permit	FR, LU ²⁷ , UK ²⁸
5-year residence permit	EL, HU, LV, SI
10-year residence permit	FR

In general, while missions abroad issue short-term visas (**DE, FR, IE**,²⁹ **HR, LU, PL, SE, SI**) and immigration services D-type visa or residence permits (**CY, FR, GR, HU, IE, LV, LU, NL, PL, SE**), in some cases consular services can issue D-type visa (**GR, HU, PL, SI**) or residence permits (**UK**) too. In spite of no specific admission programme for investors in **Poland**, Polish consuls may somehow facilitate admission of immigrant investors on a case-by-case basis as they enjoy certain degree of discretion when issuing visa.³⁰

In order to **prolong/extend** the initial authorisation of stay issued (D-type visa or residence permit), immigrant investors have to meet the conditions for the first resident permit (**ES, FR, GR, LU, NL, SI, UK**), provide evidence of their compliance with tax regimes (**ES, LV**), provide a specific list of documents of proofs (**HU**), or have invested within a set time limit (**UK**).

Specific minimum **residency requirements** or facilitations are set in a few MS (**CY, FR, HU, LV, NL, UK**). Cyprus allow investors to enjoy the right of 5-year residency in exchange of minimum one visit in two years. In **France**, immigrant investors holding an exceptional economic contribution residence permit have to provide a sworn statement that they have not lived for more than three consecutive years outside of France during the past 10 years, while in **Latvia** the period of absence to qualify for a permanent residence permit should not exceed 12 months. The 3-year obligatory stay does not apply to immigrant investors in **Hungary**. In the **Netherlands** the permissible **period of absence** is shortened from 6 to 4 months (spread over the year), while in the **United Kingdom** it can be of 180 days (instead of 90).

²⁴ In Luxembourg the TCN will be granted an authorisation of stay for private reasons. A D-visa will be issued if the applicant is national of a country which is required a visa for entering the territory. This application is different from the authorisation of stay. When the TCN enters the territory a residence permit will be issued.

²⁵ Renewable for another two years.

²⁶ Plus 3 year extension, providing all conditions are met

²⁷ This is the maximum duration authorised by the law. In practice, the Directorate of Immigration grants the residence permit for private reasons (sufficient resources) for one year. The maximum duration of this authorisation of stay is the same as the one for self-employed worker. See page 13 of the LU report.

²⁸ Plus two year extension, provided all conditions are met

²⁹ Visa issued by IE are not C-type Schengen visa

³⁰ The same applies also for the category of immigrant business owners

²¹ Depending on the residence permit

²² Applicable to all TCN

²³ In some specific cases

2.2 IMMIGRANT BUSINESS OWNERS

2.2.1 OVERVIEW OF NATIONAL POLICIES

2.2.1.1 Definition of immigrant business owners

Immigrant business owners are broadly defined as ‘Third-country nationals meeting the criteria set by a Member State and admitted on a long-stay visa to the Member State to i) set up a business and be involved in its management; ii) take over the running of a business or businesses and be involved in its management; iii) or for self-employment’.³¹

The vast majority of Member States (**AT, BE, CY, CZ, DE, EE, ES, FI, FR, HU, IE, IT, LU, LV, NL, PL, PT, SE, SI, SK, UK**) identify “immigrant business owners” either in their national law or through the administrative practice of their immigration authorities. Whilst most of them include immigrant business owners into the wider category of **entrepreneur/self-employed person** (**BE, CY, CZ, DE, EE, ES, FI, FR, IE, IT, LU, LV, PL, PT, SE, SI**), others have adopted a specific definition for those wishing to undertake a business activity in their territory (**AT, HU, LT, NL, SK, UK**).

2.2.1.2 National policy and institutional framework

Twelve Member States have specific programmes in place to attract and facilitate the admission of immigrant business owners (**AT, CY, CZ, EE, ES, FR, IE, IT, NL, PT, SI, UK**). Among the remaining Member States, some of them promote economic immigration of third-country nationals who wish to undertake a gainful activity within their general immigration policies (**DE, LT, LU, PL, SE**), while others do not appear to have specific (**BE, SK**) or general policies (immigration) in place (**EL, FI, HR, HU, LV**).

The **actors/institutions** responsible for the development and promotion of policies to attract immigrant business owners vary across Member States. Some (**AT, DE, FI, IT, LT, NL, SE, UK**) develop at national level their policies and international relations with third countries, as well as the promotion of the policy towards target groups. Several departments within the competent ministries are involved in the implementation of such policies. In ten Member States a variety of actors/institutions are involved in the development and implementation of policies to attract immigrant business owners (**CY, CZ, EE, ES, FR, IE, LU, LV, PL, SI**). Their role is defined according to the level of intervention:

- ★ The competent **ministries define broad policies** to attract immigrant business owners, conclude agreements with third countries partners and coordinate all actors involved (**PL**), by means of guidelines (**CZ, UK**) or action plans (**IE, LU**).

- ★ **National/Regional investment/development agencies** are mandated by ministries to implement such policies by liaising with stakeholders providing support to applicant business owners (**AT, BE, CY, CZ, EE, FI, FR, IE, LU, LV, PL, SI, SK**).

- ★ **Local chambers of commerce/industry** also play a role in the promotion of the policy with third country partners and to support target groups, especially with administrative procedures to set-up the business (**AT, CY, DE, LU, PL, SE**).

Box 3. Coordination mechanisms in Poland

In **Poland** the Ministry of Economy is responsible for designing and managing the policy and provides necessary information, i.e. in cooperation with the Ministry of Foreign Affairs. The Government assesses key actions to be undertaken and guides the different actors involved through its mandate. The Polish Information and Foreign Investment Agency promotes the policy among potential foreign companies willing to establish and run a business in Poland. Moreover, regional Investor Assistance Centres provide comprehensive assistance at the local level, including facilitating contacts with local authorities and ensuring access to relevant information. Similarly, in **Cyprus** the Ministry of Interior is responsible for developing a strategy to attract immigrant business owners.

An overview of the national institutional framework for the development, promotion and coordination of programmes to attract immigrant business owners is shown in the table below:

Table 2.5 National institutional framework for the development and promotion of programmes to attract immigrant business owners

Authority	Development	Promotion	Coordination
MI	AT, CY, CZ, EE, ES, FR, LT, PL, SE, UK	CY, ES, PL, UK,	CZ, LT
MJ	IE, NL		IE
MFA	BE, CZ, ES, PL, PT	BE, EE, ES, FR, IE, IT, LT, LU, PL, PT	BE, PT
MEF	AT, BE, CY, EE, CZ, DE, ES, FI, FR, IT, LU, LV, NL, SI, SK	BE, EE, ES, FI, FR, IT, NL, PL	BE, IE, LU, NL
MESS	ES	ES	ES
MC	CY, CZ, FR	CZ	
IA	BE, PL	AT, BE, CY, CZ, DE, EE, FI, FR, IE, LT, LU, LV, PL, SI, SK	
CoC/BA	BE, DE, LU	AT, BE, CY, DE, ES, FR, PL, SE	

Notes:

MI – Ministry of Interior (or those in charge of immigration)

MJ – Ministry of Justice

³¹ EMN Common template (Annex 1 – Glossary)

MFA – Ministry of Foreign Affairs (or missions abroad)
MEF – Ministry of Economy and Finance
MESS – Ministry of Employment and/or Social Security
MC – Ministry of Commerce (or Industry)
IA – Investment or Development agencies
CoC/BA – Chambers of Commerce or Industry / Business Agencies

2.2.1.3 Objective and type of business

The key characteristic of tailored programmes facilitating the admission of immigrant business owners is the focus on the **economic attractiveness / sustainability** of the activity and **the expected economic impact**. The main policy objectives are laid down accordingly. Specific policy objectives can be grouped as follows:

- ★ Setting-up innovative businesses contributing to the development and internationalisation of the economy (**ES, IE, IT, NL**);
- ★ Attracting talented/high potential entrepreneurs (**ES, FR, IE, UK**), including graduates (**UK**);

Member States who do not have specific policies in place for attracting immigrant business owners pursue a general objective to attract foreign business **to generate overall economic benefits**.

Member States do **not** normally **apply specific restrictions** with regards to the type of business. However, some emphasise the relevance of businesses implying the transfer of know-how and new technologies (**AT, IT**); the establishment of subsidiaries of multinational companies (**CY, CZ**); or starting-up high potential companies (**EE, IE, UK**).

The most common **priority economic sectors** reported were: agriculture/food, innovative hi-tech, energy, communication, creativeness, health/pharmaceutical, financial and strategic services, and research and development. With the exception of **Belgium** (focusing on China, the US and Brazil), the majority of Member States did not report specific geographical areas and / or strategic third-country partners.

Only three Member States apply annual quotas as follows: **Estonia, Italy** (2,400) and **United Kingdom** (2,000) only to the category “Tier 2” Graduate Entrepreneur”.

Finally, six Member States (**BE, DE, ES, FR³², NL, PL**) have **bilateral** or other **agreements** in place with third countries to attract immigrant business owners. In particular, **the Netherlands** signed a Friendship Treaty with the US and Japan and has concluded several international free-trade agreements with a number of countries, based on which self-employed

third-country nationals are not checked against the Dutch points-based system. Furthermore, six Member States have a practice in place to share information and coordinate with other Member States (**CZ, DE, IE, NL**).

2.2.2 PRE-ARRIVAL STAGE (ADMISSION CRITERIA) AND STAY (RENEWAL)

Following the same categorisation used for immigrant investors (see section 2.1.2), sixteen Member States implement **specific measures** and/or apply (sets of) **criteria** aiming to attract immigrant business owners (**AT, BE, CY, DE, ES, EE, FR, HU, IE, IT, LT, LV, LU, NL, PL, SI, SK, UK**). These measures may be grouped into three main categories:

Incentives include measures to promote the national market with the target group of potential immigrant entrepreneurs or foreign companies:

- ★ Promotional campaigns using leaflet, brochures websites and press (**AT, BE, CY, DE, ES, EE, IT, LU, LV, NL, PL, SI, SK, UK**);
- ★ Regular events organised in third-countries or with the target groups in the Member States for example, fora, seminars, trade fairs (**AT, BE, CY, DE, ES, EE, LU, PL, SK**);
- ★ Economic missions of delegations in coordination with diplomatic channels (i.e., representations, consulates) and economic interest associations present abroad (**BE, CY, CZ, DE, EE, ES, FR, IE, LT, LU, LV, NL, PL**);
- ★ Creating a business-friendly environment, including tax reductions and fiscal exemptions (**BE, CY, CZ, DE, FR, HU, IT, LU, NL, PL, SK**), counselling and training on establishing and registering the business (**AT, BE, EE, FR, IE, LU, NL, PL**), facilitated access to financial credit for business (**CY, HU, LU, SK**), incentives to growth, information regarding fiscal legislation (**BE, DE, FR, PL**), innovation and exports increase (**IE, IT, UK**), employment of key personnel (**CY**), governmental grants (**PL**), special economic zones equipped with the necessary utilities (**PL**).

Procedural facilitations for admission include fast-track procedures for issuing a residence permit and/or visas (e.g., **AT, BE, ES, IT**);

- ★ Reduced application fees (**ES, NL**);
- ★ Easing entry procedures of TCN's establishing corporations and/or individual companies (**CY, CZ, ES**);
- ★ Exemption from signing the “integration contract” and medical examination (in some cases) (**FR**);
- ★ Proof of education level excluded (**LV**);
- ★ Reduced supporting documentation (**CY**);

³² In France, agreements were not signed with the aim to purposely attract immigrant business owners, but include provisions to facilitate the circulation visas and the “skills and talents” residence permit of certain categories.

Box 4. Ireland Start-up Entrepreneur Programme (STEP)

STEP is a business programme focused on high potential **start-ups in innovation economy**. A government agency, **Enterprise Ireland**, assists high-potential start-up enterprises in Ireland by helping them 'start, grow, innovate and win export sales on global markets'. Ad-hoc measures ensure a **pro-business environment** supporting companies in growing, innovating and expanding to international market. As a supporting measure, a **one-year residence permit** has been introduced to allow potential entrepreneurs to attend **incubators or innovation boot camps** in Ireland aiming to prepare an application to the STEP. **Non-EEA students** who graduate with advanced Science, Technology, Engineering, Mathematics degrees in Ireland may also apply to STEP for a 12-month residence period to prepare an application to the scheme.

Requirements to apply for policies targeting potential immigrant business owners present numerous similarities among Member States (Table 2.6).

Table 2.6 Requirements to qualify as immigrant business owners

Requirement	Member State
Evidence of capital	AT, BE, CY, DE, EE, ES, FR, HU, IE, IT, LT, LU, LV, PL ³³ , SE, SI, SK, UK
Contribution to national economy / employment	AT, BE, CY, DE, EE, ES, FR, HU, IE, IT, LT, LU, NL, PL ³⁴ , SI, SK, UK
Business plan	AT, BE, DE, EE, ES, FI, FR, HU, IE, IT, LV, LU, NL, SE, SI, SK, UK
Entrepreneurial skills	AT, BE, DE, FI, FR, HU, IE, IT, LU, NL, PL ³⁵ , SE, SI
Education	AT, BE, FI, FR ³⁶ , HU, LU, UK ³⁷
Language knowledge	SE ³⁸ , UK
Insurance	CY, CZ, DE, EE, ES, FI, FR, HU, IE, IT, LT, LU, LV, NL, PL
Age	CY, LU, SK, UK ³⁹
Security/Background checks	AT, BE, CY, CZ, DE, EE, ES, FI, FR, HU, IE, LT, LV, LU, NL, PL, SE, SI, SK, UK

For what concerns the **capital required** to run a business, some Member States check that it is appropriate and sufficient on a case-by-case basis (**BE**,

CZ, ES, FI, FR, LU, LV, SE). Where a threshold is set, it can range from a minimum of **EUR 10,000 (SI)** or **HUF 3 million (~ EUR 10,000, HU)**,⁴⁰ to **EUR 30,000 (LT)**, **EUR 50,000 (IE, IT)**, **EUR 65,000 (EE)**, **EUR 100,000 (AT)** or more than **EUR 150,000 (UK⁴¹)**. **Ireland** defines a minimum which depends on the programme: **EUR 50,000** for the high Potential Start-up programme "STEP" and **EUR 300,000** for other business activities.

All Member States (except **Sweden**) requiring evidence of capital also require that the business activity is **contributing to the national economy or creating employment**. About half (**AT, BE, CY, DE, EE, ES, FR, LT, LU, LV, NL, SI, SK**) define general criteria to assess whether this requirement is satisfied, such as economic benefits produced, job creation, impact of the investments, relevance of the business, promotion of exports, and innovativeness of the activity. The decision on the application is then taken on a case-by case basis. Some others (**HU, IE, IT, LT**) set very specific conditions, such as:

- ★ A precise number of jobs created, for example 3 (**HU⁴², LT**), and 2 or 10 (**IE⁴³, UK**) depending on the programme.
- ★ Investment of a certain share of the total business revenue in research and development (**Italy**)

A **business plan** must contain several elements which allow an **analysis and evaluation of the feasibility of the proposed activity**, considering the market situation and the objectives of the undertaking. Elements of the business plan include:

- ★ Legal aspects, such as corporate structure and mission, liability, partnerships, staff and details on the location (**AT, DE, EE, ES, FI, FR, IE, LU, NL, SE, SK**);
- ★ A business project, including at least one of the following elements, i.e. business profile, investment plan, cash-flow plan, profitability forecast, perspectives of employment, growth and expected turnover (**AT, BE, DE, EE, ES, FI, FR, IE, IT, LU, LV, NL, SE, SK**);
- ★ A capital requirement plan and funding needs (**DE, IE, IT, LU, NL, SK**);
- ★ A market analysis and marketing strategy (**AT, ES, IE, IT, LU, NL, SK**).

³³ In may be taken into consideration in some cases. The amount of capital differs from country to country and it's assessed by consul.

³⁴ In may be taken into consideration in some cases.

³⁵ In may be taken into consideration in some cases. Consul may *inter alia* check whether a foreigner has experience in running business, whether business activity carried out in the country of origin is registered, checks financial situation of the company etc.

³⁶ Depending on the residence permit

³⁷ This applies only to the Graduate Entrepreneur route in the UK

³⁸ Swedish or English

³⁹ As above

⁴⁰ Only in case of a Limited Liability Company

⁴¹ Only for the "Tier 1 Entrepreneur" category. No capital requirement for the "Tier 1 Graduate Entrepreneur".

⁴² It is set out as one option of proving the importance of business as it can also be done by a business plan.

⁴³ In Ireland under Business Permission Scheme the proposed business must create employment for at least two EEA nationals for a new project or, at the very least, maintain employment for an existing business; while the STEP scheme has no initial job creation targets but the start-up must be deemed capable of creating 10 jobs in 3-4 years

The business plan together with the relevant documentation is assessed by the national authority responsible for the approval, which may be:

- ★ The competent authority in charge of economic, development or employment policies (**AT, BE, ES, FR, LU⁴⁴, SI, SK**)
- ★ Immigration authorities, possibly after consultation of organisations for business and economic activities (**DE, FI, HU, LU⁴⁵, NL, SE**);
- ★ An ad-hoc appointed entity, for example, an auditor, evaluating commission or committee of experts (**EE, IE, IT, LV**).

In **Estonia**, the assessment is performed by a committee created within the Police and Border Guard Board and composed also of economic experts, which evaluates the feasibility of the **planned business activities** and their potential **positive impact on the national economy**.

As for the investors, the rights granted to business owners' applicants vary among Member States. In most of them residence is offered to family members, who are also granted access to the labour market. **Cyprus** and (to a certain extent) **France** grant an accelerated access to citizenship depending on the substantial size of the investment. The various rights available are summarised in Table 2.7.

Table 2.7 Rights offered to immigrant business owners

Rights	Member State
Family reunification	AT, BE, CY, CZ, DE, ES, EE, FI, FR, HU, IE, IT, LT ⁴⁶ , LU ⁴⁷ , NL, PT, SE, SI, SK, UK
Access to labour market for family members	AT, BE, CY, CZ, DE, ES, EE, FI, FR, HU, IE, IT, LT ⁴⁸ , LU, NL, PT, SE, SK, UK
Access to social benefits	AT, BE, CZ, DE, EE, FR, HU, IT, LT, LU, PL ⁴⁹ , PT, SE, SI, SK
Accelerated access to citizenship	CY, FR ⁵⁰ , SI

A variety of approaches also exist with regards to the **type and duration** of the document issued to successful applicants. In most cases a visa to enter the Schengen area is needed and the residence permit is granted once the person is in the territory of the Member State (**BE, FR, HU, LT, LU, NL, PL, SI**),

while in **Sweden** immigrant business owners can apply for a residence permit either from abroad or, in certain cases, from within the country. In five Member States the duration of the permit is longer than the average of residence permits granted to other categories of applicants (**EE, HU, LU, NL, SE**).

Table 2.8 Documents issued per type and duration

Document and duration	Member State
Long-term visa (D type)	CZ, IT, PL, SI
1-year residence permit	AT, BE ⁵¹ , FI ⁵² , FR ⁵³ , IE ⁵⁴ , LV ⁵⁵ , LT, SI
2-year residence permit	BE ⁵⁶ , ES, IE, NL, SE
3-year residence permit	HU, FR, LU, SK, UK ⁵⁷
5-year residence permit	EE, LV, SI, SK

After arrival, the **business** activity has to be **registered** at the competent office located in the Member State. Only in a few cases is registration allowed on-line (**EE, PL, SE, SK**) and from abroad (**PL, SE**). Competent institutions are chambers of commerce/industries (**DE⁵⁸, FR, IT**), local district courts (**AT, CZ, EE, HU, PL, SK**) or specialised state department / agencies (**CY, IE, FI, FR, LU, LV, SE, UK**). Registration follows the same rule as for EU nationals and must contain the following elements:

- ★ The type of business and legal aspects of the company (**AT, BE, CY, CZ, DE, EE, FI, FR, GR, HU, IE, IT, LT, LU, LV, NL, PL, SE, SI, SK, UK**);
- ★ Capital required / Financial plan and bank account (**BE, CY, DE, EE, FR, HU, IE, LT, LU, LV, PL, SK**);
- ★ Relevant permits and health and social insurance (**BE, DE, FR, IE, LV**);
- ★ Professional qualifications and licences in case of regulated activities (**BE, CZ, DE, LU**).

With the exception of some regulated activities which may be open only to nationals, the large majority of Member States (**AT, BE, CY, CZ, DE, ES, FR, HU, IT, LT, LU, LV, NL, PL, SE, SI, SK, UK**) **do not apply any restrictions to admit third-country nationals**

⁴⁴ Authorisation of establishment is granted by the Directorate of Small and Medium Sized Enterprises of the Ministry of Economy

⁴⁵ The Directorate of Immigration will granted the authorisation of stay after the CCTI gives its approval.

⁴⁶ Only for business owners who invest at least EUR 260.000 and create at least 5 full time working places

⁴⁷ In LU this only can happen after a year in some cases the Direction of Immigration can grant a residence permit for private reasons.

⁴⁸ As above

⁴⁹ These exclude social assistance, but refer to certain benefits, mainly insurance-based.

⁵⁰ In some specific cases

⁵¹ Employee: work permit + residence permit (1 year)

⁵² The first residence permit is granted for one year, with a possibility for extension.

⁵³ The "business activity" residence permit has a validity of one year. The "skills and talents" residence permit is valid for three years. Both are renewable.

⁵⁴ The "Business permission" is valid for one year, while the STEP permit is valid for two years. Both are renewable.

⁵⁵ Two permits exist, one valid for one year and the other up to five years. Both are renewable.

⁵⁶ Self-employed: professional card + residence permit (most of the time validity of 2 years, the validity depends on the authorities, could be anywhere between 2 to 5 years).

⁵⁷ This would be a Tier 1 Visa

⁵⁸ In all federal states, businesses are registered in local Trade Licensing Offices. In Bavaria and Rhineland-Palatinate, there is also the possibility to register businesses at the competent chamber of commerce/industries.

based on the type of business, the specific sector or either the country of origin. Restrictions for security and safety reasons exist in **Estonia** and **Germany** in sectors related to weapons and ammunition. **Ireland** restricts STEP to High Potential Start-Ups.

The main criteria to receive an **extension/renewal** of the document issued include that the business has been active during the period preceding the extension of the permits (**AT, CY, EE, ES, FR, HU, IE, IT, LT, LV, LU, PL, SE, SK**) or has generated a sufficient income for the business owner (**SE**); having paid due taxes and contributions (**EE, FR, HU, LU, LV, PL, SI, SK**); having duly registered (**CZ, LU, NL, UK**), proving an investment commitment for other 5 years (**PT**). In Hungary, the period during which the business needs to have been active, taxes paid and staff employed in order to have a document's validity extended is set at 6 months.

2.3 OTHER BUSINESS PERSONS

2.3.1 OVERVIEW OF NATIONAL POLICIES

2.3.1.1 Definition of other business persons

This study broadly defines as **other business persons** a variety of business people, including the six pre-defined categories of "natural persons" providing services, as contained in the EU's schedule of specific commitments of the General Agreement on Trade in Services (GATS) and the EU free-trade agreements:

- ★ **Business visitors for establishment purposes** (BVEP);
- ★ **Intra-corporate transferees** (ICT);
- ★ **Graduate trainees** (GT);
- ★ **Business sellers** (BS);
- ★ **Contractual services suppliers** (CSS); and
- ★ **Independent professionals** (IP).

These categories are not recognised by all Member States: existing definitions and relevant legal provisions do not always clearly distinguish between the various types of other business persons and can overlap in several cases, especially between Business visitors for establishment purposes and Business sellers. The definitions can be either legal or exist in practice. Where recognised, these are shown in Table 2.9:

Table 2.9 Existence of definitions of other business persons

Type	Member State
BVEP	EL, NL, SK
ICT	AT, DE, ES, HU, IE, LT, LU, NL, PL, PT, SK, UK ⁵⁹

⁵⁹ UK admits GTs as a sub-category of ICTs. Graduates coming to the UK for training and work experience outside the context of an intra-

GT	BE, ES, GR, IE, LU, NL, PL, PT, SK
BS	AT, BE, DE, ES, LT, NL
IP	DE, EL, ES, LU, NL, SK, UK
CSS	AT, DE, ES, GR, IE, NL, PL, SK, UK

- ★ **BVEPs:** Only three Member States (**EL, NL, SK**) have drafted a definition for this specific category, namely. Nine Member States (**AT, BE, DE, ES, IT, LT, PL, SE, UK**) do not have an official definition, but indicate that BVEP are admitted through existing channels.
- ★ **ICTs:** Apart from those Member States that have specifically defined ICTs, **Estonia, Poland** and **Sweden** admit them as posted workers. It must be noted that as at least two Member States (**LU, PL**) are in the process of transposing the ICT Directive, it can be expected that more Member States will develop specific definitions.
- ★ **GTs:** **Austria, Italy** and **Slovak Republic** indicate how they admit GTs through existing channels but refer to them as 'dependent employees' or third-country nationals wishing to enhance their skills through training. In **Hungary**, a plan to modify the Ministerial decree on labour market services regulating on the service of trainee-organisation necessitates setting out the definition of graduate trainees as well. In **Luxembourg**, the traineeship has to be obligatory within the framework of his/her education and is non-remunerated. In **Belgium**, the **Netherlands, Poland** and the **United Kingdom** they are considered as intra-company transfers, in line with the ICT Directive as well as the most recent approach to the EU's FTAs. In **Sweden**, GTs applying for stays long longer than three months need a residence permit for employment purposes (which includes a work permit); otherwise they may enter with a Schengen visa.
- ★ **BSs:** Though not defined as such, **Sweden** allows the admission of business sellers, with Schengen visas or national type-D visas.
- ★ **IPs:** For this category it can be noted that in **Austria, Belgium, Germany, Hungary, Italy, Luxembourg** and **Sweden** independent professionals are considered as self-employed. **Slovak Republic** differentiates between independent professionals providing investment aid and those on a business contract, while in **Lithuania** there is no definition (as for CSSs) and applications are assessed on a case-by-case basis. In **Sweden**, they may normally enter with a Schengen visa or, for stays longer than three months, a national type-D visa or a temporary residence permit for visits.

company transfer are dealt with in the UK under Tier 5 Government Authorised exchange schemes.

- ★ **CSSs:** In **Belgium** and **Poland**, a CSS qualifies as standard seconded employee and, only in **Belgium**, requires a work permit as highly skilled worker or specialised technician. **Hungary** has no definition but its civil law sets out the elements of certain agreements in which a party may be a CSS. In **Spain**, CSSs, ICT, IPs are included in the same national category. **Sweden** refers to CSSs as posted workers. In the **United Kingdom** CSSs and IPs are included in the same national category.

2.3.1.2 National policies and institutional framework

Table 2.10 highlights that most Member States **do not have specific programmes for most categories of other business persons**. For three of them (**FR, NL, UK**) these programmes can be based on multilateral and/or bilateral trade agreements with third countries. This is the case for BVEPs (for international groups) and ICTs and GTs for **France**, ICTs, CSSs and GTs for the **Netherlands**, ICTs, IPs, CSSs and GT for **Spain** and IPs and CSSs for the **United Kingdom**.

Table 2.10 Existence of programmes or policies for other business persons

Type	With programme	Without programme
BVEP	CZ, FR, HU, NL, UK	AT, BE, CY, DE, EE, FI, HR, IE, IT, LV, LT, LU, PL, PT, SI, SK, SE
ICT	CZ, DE, ES, FR, HU, IE, NL, PL, UK	BE, CY, EE, FI, HR, IT, LV, LT, LU, PT, SI, SK, SE
GT	BE, ES, FR, HU, IE, PL, UK	CY, CZ, DE, EE, FI, HR, IT, LV, LT, LU, NL, PT, SI, SK, SE
BS	NL, UK	BE, CY, CZ, DE, EE, FI, FR, HR, HU, IE, IT, LV, LT, LU, PL, PT, SI, SK, SE
IP	ES, UK	BE, CY, CZ, DE, EE, FI, FR, HR, HU, IE, IT, LV, LT, LU, NL, PL, PT, SI, SK, SE
CSS	ES, HU, IE, NL, PL, UK	BE, CY, CZ, DE, EE, FI, FR, IT, LV, LT, LU, SI, SK, SE

A few Member States provide information about the policy objectives of these programmes, namely:

- ★ Simplifying (immigration) procedures (**CZ:** BVEP and ICT, **ES, FR:** ICT, **HU:** ICT and CSS, **NL:** BVEP and BS, **PL:** all six)
- ★ Targeting national geographic areas (**CZ:** BVEP and ICT) or countries of origin (**CZ:** BVEP and ICT)
- ★ Facilitating knowledge exchange and intra-EU mobility (**HU:** GT).

Based on evidence collected, no national **quotas/limitations** in Member States participating in the Study are reported to be explicitly linked to one or more of the six categories under scrutiny. Policies in these areas involve a wide number of **authorities** as detailed in Table 2.11: they generally cover the competent Ministries, while other authorities include those involved in promotion of business policies, specialised trade, business and investment policies.

Table 2.11 National institutional framework for the development and promotion of programmes to attract other business persons

Authority	Development	Promotion	Coordination
MI	AT, CZ, ES, HU, FR, PL, UK	PL	CZ (BVEP, ICT)
MFA	ES, FI, FR, CZ, NL, PL, PT	ES, PL, PT	ES, FI, NL, PT
MEF	AT, CZ, ES, HU, IE, NL, UK	CZ, ES, NL	
MSA	AT, ES, FR, NL, PL	ES, NL, PL	ES
OA		CZ, FI, FR, NL, UK	

Notes:

MSA – Ministry of Social Affairs and Employment

MI – Ministry of Interior (or those in charge of immigration)

MFA – Ministry of Foreign Affairs (or missions abroad)

MEF – Ministry of Economy, Finance, Trade and Industry

OA – Other Authorities

2.3.2 PRE-ARRIVAL STAGE (ADMISSION CRITERIA) AND STAY (RENEWAL)

The duration of stay for other business persons on the basis of the first permit ranges from up to one month to up to five years as presented in Table 2.12.

Table 2.12 Duration of stay for other business persons

Duration	BVEP	ICT	BS	IP	CSS	GT
Below 1 month			AT			
Up to 3 months	DE ⁶⁰ , CZ, ES, FI, HR, FR, IT, HU, LT, LU, LV, PT	FI, HR, HU	BE, CZ, ES, FI, HR, HU, LT, LU, LV, NL	FI, HR, HU	FI, HR, HU	DE, FI, HR, HU
3-6 months	AT ⁶¹ , HU ⁶² , UK	BE, DE, HU, PT, UK ⁶³	HU, UK	HU, LU, PT, SE, UK	BE, HU, LU, PT, UK	CZ, EL, HU, PT
6-12 months	AT ⁶⁴ , HU ⁶⁵ , NL, PL ⁶⁶ , SK	AT, BE, DE ⁶⁷ , HU	FR, HU, PL ⁷⁰ , SE	AT, FR, HU, LV	BE, EL, HU, FR	AT, BE, IE, HU, LV, LU

⁶⁰ "Business trip" / "project secondment" require visa and work permit

⁶¹ Seconded expert

⁶² For a visit. This applies to all categories

⁶³ Skills transfer category: 6 months.

⁶⁴ Rotational worker

⁶⁵ For a visit. This applies to all categories

⁶⁶ This is the maximum period, visa can be issued for shorter period

⁶⁷ Secondment requiring visa and work permit

		LU, PL ⁶⁸ , UK ⁶⁹	SK	PL ⁷¹	PL ⁷² ,	PL ⁷³ , SK, UK
1-2 years	BE, EL, SE	CZ, DE, ES ⁷⁴ , GR, IE ⁷⁵ , SK, SE		EL, ES ⁷⁶ , SK	ES ⁷⁷ , IE ⁷⁸ , SE, SK	ES ⁷⁹ , FI ⁸⁰ , FR, SE
Over 2 years	BE, HU ⁸¹	DE ⁸² , FR, HU ⁸³ , LV, LT, NL, UK ⁸⁴	HU ⁸⁵	BE, HU ⁸⁶	HU ⁸⁷ , LV, NL	HU ⁸⁸ , NL

For most Member States (but **FI, FR, HU, NL, SE**) the stay of GTs is limited to one year. For BSs, only **Hungary** allows a stay exceeding one year. For ICTs, stay is most commonly allowed to go beyond 12 months; at least 11 Member States allow longer stays of over one year. In **Germany** the duration of stay for ICTs could be bound to the duration of the contract.

While there is a general limitation on the information on other business persons, in Table 2.13 Member States are listed per **types of documents** usually issued for these six categories. It highlights clear differences in the type of visa or residence permit that can be issued.⁸⁹ It shows, for instance, that some Member States (**AT, BE, FI, FR, HU, LT, LU, LV, SE, SK**) offer possible (temporary) residence permits for graduate trainees, while for others this is not possible.

Table 2.13 Type of document for other business persons

Document	Member State
Schengen C-type visa	AT, CZ, DE, ES, GR, FI, FR, HR, HU, IT, LT, LU, LV, NL, PL, PT, SE, SK, UK
D-type national visa	AT, CZ, DE, GR, FI, FR, LT, PL, SE, SK, UK
(Temporary) residence permit	AT (BVEP, ICT, IP, CSS, GT), BE (BVEP, ICT, IP, CSS, GT), CZ (ICT, GT), ES (ICT IP CSS, GT), GR (BVEP, ICT, IP), FI (ICT, GT), FR (ICT, BS, IP, CSS, GT), HU (all six), LT (ICT), LU (BVEP ⁹⁰ , ICT, GT), LV (ICT, IP, CSS, GT), NL (ICT), PT (ICT, IP, CSS, GT) SE (BVEP, ICT, IP, CSS, GT), SK (ICT, IP, CSS, GT),

The main criteria to receive an **extension/renewal** of the document issued mostly include that general requirements have been met and adhered to in the period after the issue of the document (**BE, CZ, ES, FR, HU, IE, LU⁹¹, LV, NL, PL, SK, UK**); and that due taxes and/or other contributions have been paid (**BE, ES, IE, LV, UK**). The duration of the extension of the documents varies greatly per type of category. Extensions are possible for up to six months (**SE**: all six⁹²), two years (**SK**: ICT, CSS, **ES**: ICT IP CSS, GT), three years (**PL**: all six, **SK**: IP). Extension is dependent on which document the business person originally applied for as the use of Schengen C-visas, National D-visas and (temporary) residence permits can make a big difference in total stay permitted. It must also be noted that there are specific limitations for some other business persons, such as GTs and BSs (see Table 3.4).

⁷⁰ Maximum period one year, visa can be issued for shorter period

⁶⁸ Maximum period one year, visa can be issued for shorter period

⁶⁹ Short term ICT category: 12 months

⁷¹ Maximum period one year, visa can be issued for shorter period

⁷² Maximum period one year, visa can be issued for shorter period

⁷³ Maximum period one year, visa can be issued for shorter period

⁷⁴ Length of first residence permit: 2 years ; renewable up to 5 years

⁷⁵ First instance

⁷⁶ Length of first residence permit: 2 years ; renewable

⁷⁷ Length of first residence permit: 2 years; renewable

⁷⁸ First instance

⁷⁹ Length of first residence permit : 2 years ; renewable

⁸⁰ If graduate trainee who obtained a residence permit

⁸¹ 3 years for gainful activities and 5 years for other reasons.

⁸² Short to medium term transfer/delegation and medium to long term transfer and permanent transfer: unlimited, residence permit and work permit

⁸³ 3 years for gainful activities and 5 years for other reasons.

⁸⁴ 'Long term ICT' category

⁸⁵ 3 years for gainful activities and 5 years for other reasons.

⁸⁶ 3 years for gainful activities and 5 years for other reasons.

⁸⁷ 3 years for gainful activities and 5 years for other reasons.

⁸⁸ 3 years for gainful activities and 5 years for other reasons.

⁸⁹ According to the Regulation No 539/2001, nationals of certain third-countries are exempted from the requirement of being in possess of a visas when crossing the EU external borders.

⁹⁰ In some cases for BVEP depending on the needs of the hosting company an authorisation of stay for private reasons can be granted

⁹¹ In LU the ICT can be renewed for the same period of validity if the conditions are met and in regards to the GT it only can be extended in exceptional cases only once and limited to the time that is need to acquire a professional qualification

⁹² Residence permits for visiting purposes can be granted for six months and can then, depending on the circumstances, be extended once. However, in total, the visit must be shorter than one year. When other types of residence permits are granted, extensions can be granted for more than six months, depending on the individual circumstances.

3 Measures to prevent misuse / abuse of immigration channels for business purposes

3.1 DEFINITION OF MISUSE / ABUSE

It is not possible to draw a clear distinction between **misuse** and **abuse** of immigration channels for business purposes: both terms are used for the same type of phenomenon.

In the majority of Member States, the concept of misuse/abuse of immigration channels for business purposes is normally not explicitly prescribed by national laws (**AT, CZ, DE, EE, ES, FI, FR, IE, IT, LV, NL, PL, PT, SE, SI, SK**), but rather applied in practice (**AT, CZ, EE, FI, NL, PL, SE, SK**) and generally qualified as the situation in which a third-country national uses the authorisation to stay not in accordance with the rules and the scope for which it was issued (**CZ, EE, PL, SE**), fail to prove his/her right to entry, reside or take up self-employment/carry out self-employment activities (**FI, PL**), or activities other than the ones for which the permit was granted are performed (**CZ, PL, SE, SK**). The origin of the investment capital needed has also been considered misuse/abuse (**AT, NL**).

Box 5. New legislation in Lithuania to counter 'bogus enterprise'

In **Lithuania** amendments to the Law entered into force on 1 November 2014 define a '**bogus enterprise**' and indicates that when issuing, or replacing, a temporary residence permit to a third-country national, an **assessment** is undertaken to establish whether there are serious grounds to believe that the person is the head of / a participant in a bogus enterprise. If the enterprise is found to be bogus, the temporary residence **permit** may be **refused / withdrawn**.

In some cases a definition exists, but only in relation to specific categories of business persons. In **Belgium**, the improper use of the social status of **self-employed individuals** is defined as "using the status in order to obtain a residence permit without a genuine intention to establish professional activities". While **Germany** more generally refers to regulatory offences, **Hungary's** legislation to the disclosure of **false information or untrue facts** to the competent authority in the interest of obtaining the right of residence, or misleading the competent authority in respect of the purpose of residence and **Luxembourg** to the use of false or misleading information, false or falsified documents and that fraud was committed to enter and stay in the country. In the **United Kingdom** they are defined as offences connected with illegal entry, facilitating illegal entry, failing to observe a condition attached to stay and obtaining leave to enter or stay by deception.

3.2 MEASURES IN PLACE TO MONITOR, DETECT AND PREVENT MISUSE / ABUSE

Measures in place to **monitor, detect and prevent** misuse / abuse differ according to the responsible authorities, the scope of the investigation performed and the type and frequency of controls undertaken.

While some Member States reiterated that thorough controls / verifications are ensured by the competent authorities responsible for the admission of third-country nationals (**BE, EL, ES, FR, IE, IT, LT, LU, LV, NL, PL, PT, SE, SK, UK**), including missions abroad (**CZ, FR, IT, LT, PL, SE, SK**), in other cases, specific bodies are mandated to fulfil this duty.

- ★ **Cyprus** has established a specific Unit for Combating Money Laundering (MOKAS) to receiving and analysing SARs and to conducting money laundering or financial fraud investigations;
- ★ In **Estonia**, while the Police and Border Guard assess whether the permit can be kept, the Internal Security Service supervises that crimes are prevented and the Unemployment Insurance Fund ensures compliance with the labour market test upon employment of an alien;
- ★ **Slovak Republic** performs the assessment of the business plan, the financial coverage of the business activity and of integrity, while evaluating data and intelligence information about the applicant;
- ★ In **Lithuania** local migration services, while in **Poland** Border Guards, are respectively responsible for control of foreigners and can check suspicious enterprises;
- ★ In **Austria** a specifically established "Centre of Excellence Combating Wage Dumping and Undermining Social Security Contributions" intervenes in the application process of immigrant business owners, while this is done by the Employment Services in the **Netherlands**.

A **referral mechanism** is applied in **Hungary**, where in order to monitor the right of residence, the company involved as intermediary for the investment has a monthly duty to report to the immigration authority, supplying the necessary data and information which are then stored for a period of six years. In **Lithuania**, the Migration Department receives written information related to the activities of enterprises established by third-country nationals from the State Tax Inspectorate, the State Social Insurance Fund Board, the Customs Department and the State Labour Inspectorate.

Coordination mechanisms to share information among various actors/institutions involved exist in **Cyprus, Czech Republic, France, the Netherlands, Poland, Spain** and **Slovak Republic**. In a few Member States an obligation to inform is foreseen (**EL, FR, SK, UK**), while this happens in practice in a several more (**EE, LV, NL, SE**). The two mechanisms coexist in **Poland**.

The frequency of **controls** can be classified as follows:

- ★ Regular (on-spot checks) (**DE, ES, FI, FR, LV, PL, SI**);

- ★ Random (**EE, LV, PL, SK**);
- ★ Case-by-case / risk assessment (**CZ, LT, NL, PL, UK**);
- ★ Not determined (**DE⁹³, HU, LU, SE**);
- ★ Upon renewal of residence permit (**CZ, EE, FI, FR, NL, PL**).

Box 6. The system of controls in Poland

Poland applies an articulate system of controls on business persons. Random inspections are conducted by the **Border Guard**. In 2013, 410 inspections were held, while 767 in 2014. 75-85% pertained to the wholesale and retail commerce sector. Inspections held by the **State Labour Inspection** are instead based on annual and long-term **plans** of work drafted on the basis specific indicators and recommendations reported by different institutions. In 2013, 4,298 controls were conducted in entities owned by foreigners (both EU and non-EU citizens).

Customs controls are based on the risk analysis, clearly targeting phenomena that might result in irregularities in the goods trading. Inspections performed by the **Social Insurance Institution (ZUS)** are based on annual plans approved every 5 years (in 2011-2014 approx. 350 inspections of payers of contributions from outside the EU/EEA areas were held). Finally, **tax offices** carry out inspections in line with the pre-determined inspection plans (approx. 10 thousand a year): by using modern IT solutions and specialist databases, entities are selected on the basis of e.g. the probability of irregularities that could result in decreasing tax obligations.

The Study has reported few specific instances of misuse/abuse of the investor route by third country nationals (real estate in **Latvia**). For the other categories, the main **sectors** where misuse/abuse has been reported include the following categories of business: construction (**AT, BE, DE, FR, PL**), catering/restaurants (**BE, FR, PL, UK**), IT services (**AT, UK**), transport (**AT, PL**), accommodation (**FR, PL**), trading services (**FR, LT**), financial services (**HU, LV**), retail (**PL, UK**), agriculture (**BE, PL**) and cleaning services (**AT**).

3.3 PENALTIES

The vast majority of Member States (**AT, BE, CZ, DE, EE, ES, GR, FI, FR, HU, IE, IT, LT, LU, LV, NL, PL, SE, SI, SK, UK**) apply sanctions against practices of misuse / abuse, by imposing the following:

- ★ Withdrawal / annulment of the authorisation to stay (**AT, BE, CZ, DE, EE, ES, GR, FI, FR, HU, IE, IT, LT, LU, LV, NL, PL, SE, SK, UK⁹⁴**);
- ★ (Re-)entry ban (**CZ, FR, LT, LU, PL, UK**);

- ★ Fines (**AT, BE, DE, FI, FR, HU, NL, PL, SE, SI, UK**);
- ★ Criminal proceedings / custody / imprisonment (**AT, BE, DE, FR, HU, LU, LV, NL, PL, SE, UK**);
- ★ Closure and / or confiscation of activities or revenues (**BE, FR, LU, PL, SE**).
- ★ Withdrawal of work permit (**BE, EE, PL**) or work / employment ban (**SI**).

The grounds for incurring such penalties vary across Member States, though in most cases they are related to failures to comply with the admission rules and the invalidity of documents submitted to support applications (**BE, CZ, ES, FR, GR, HU, IE, IT, LU, PL, SE, SK, UK**), national tax regimes (**DE, FR, LU, LV, PL, SE**) or related to the origin of the investment (**AT, CY, NL**).

The **level of penalties** (administrative and / or criminal) differ across Member States, depending on the gravity of the offence committed, and, at times, on the category of business person involved. For the category of **business owners**, in **Belgium** fines range from EUR 1,800 to EUR 18,000, while in **Germany** they can be as high as EUR 500,000. **Imprisonment** in **Belgium** varies from 6 months to three years, in **Germany** it is set at up to one year, in **Cyprus** it can reach five years. **Slovenia** may apply a 10-year ban to employ people and a 5-year ban to work.

4 Evaluation of policies to admit third-country nationals for business purposes, challenges and barriers

4.1 EVALUATION OF POLICIES AND PROGRAMMES

The effectiveness and impacts of programmes attracting immigrant investors, business owners and other business persons is not comparable given the diversity of operating models and the lack of data. Moreover, due to many of these programmes being relatively recent, a low number of Member States (**CZ, ES, HU, LV, NL, PL, UK**) has to date carried out **evaluations** addressing the **effectiveness** of their policies, their **impact on the national economy** and any **issues raised** (with regard to e.g. access to social security, discrimination, risks, security, etc.) and covered by national (political) debates or media. In **Spain** these are foreseen through the submission of an annual report.

4.1.1 IMMIGRANT INVESTORS

Examples of impacts in terms of volume of **investments expected or generated** are demonstrated for four countries (**ES, HU, LV, UK**).

- ★ On the basis of information collected, the investor programme was considered successful in **Hungary**: the value of generated investments in national bonds represented HUF 250 billion (~ EUR 800 million). The value achieved represented so

⁹³ Controls in case of suspicion

⁹⁴ In the case of ICTs, penalties would also include withdrawal of the employer's sponsorship licence, thus preventing sponsoring the admission of other workers

far one quarter of the potential impact initially foreseen;

- ★ Investments in **Latvia** have generated around EUR 1 billion, with the 82.4% share allocated to real estate, 12.4% to obligation and only 5.2% to equity capital. In addition, they have also contributed to the economic recovery, impacting on other sectors not directly targeted by the policy (i.e. tourism, accommodation, legal services, insurance, building management, interior and design, food and catering and healthcare);
- ★ **Spain** estimates at EUR 447 million the amount of investment received (ranging from EUR 370 million in property, to EUR 37.5 million and EUR 39.5 million respectively for moveable capital and business ventures). A total of 1,615 jobs is estimated to be supported. Russians and Chinese accounted for nearly 70% of these investments.
- ★ Evaluation in **United Kingdom** has found that whilst direct investment has been important, it has been of less benefit to the economy than the **indirect consumption** by the investor and associated taxation (mainly VAT). The Migration Advisory Committee Report⁹⁵ also concluded however that the United Kingdom's offer to migrant investors was sufficiently attractive in respect of other countries, including those that offer citizenship.

Some Member States (**AT, EE, HU, IE, FR, PL**) provided information of the impact of their policies in terms of changing levels in Foreign Direct Investment (FDI), as set out in Box 7 below.

Box 7. The relevance and impact of Foreign Direct Investment (FDI)

Foreign Direct Investment (FDI) can be used as an indicator used to assess the openness of Member States to business and determine (to a certain extent) the impact of existing policies on the national economy. Attracting FDI has become an increasingly important challenge for the EU since the financial crisis.⁹⁶ Despite the growing competitiveness of emerging economies, the **EU remains the largest investor and recipient of FDI**: in 2013, FDI inflows to the EU increased by 14% to USD 246 billion (~ EUR 216.5 billion) compared to 2012.

In **Hungary** FDI increased to 15 EUR billion in 2013 from 10.48 EUR billion in 2012. **Estonia** has received a total of EUR 15.7 billion in direct investments, i.e. 84% compared to Estonian GDP. At the end of 2013, FDI stock in **Poland** accounted to 160.5 billion EUR. In 2014, the investments made by 3,069 third-country nationals in 2,768 **Austrian** companies have generated a value of 124.6 billion Euro, contributing to some 251,000 jobs. In **Luxembourg** in

2012, the global foreign direct investment amounted to 90.149 million Euros from which 22.480 million Euros (24.9%) came from non-EU countries. However the largest part of this impact is generated by EU Member States (i.e. **DE, IT**) together with Switzerland and the US. Between 2009 and 2013, **France** ranked second in Europe with 14,122 jobs created by FDI, though this marked a decrease compared to the period 2004-2008 (18,136); while **Poland** ranked third in 2013. In 2013 there were 3,300 foreign-owned firms based in **Ireland**; IDA, the Irish agency responsible for promoting and developing FDI supported 729 non-EU companies which provided 130,619 jobs in 2013.

In some Member States (**HU, LV, NL, UK**), evaluation studies have served the purpose to support the (plan for) **changing existing national approaches**: admission criteria have been adapted to better manage the flow of third-country nationals.

- ★ **Hungary** considers investing in bonds a rather "cheap" route: the Parliament increased the threshold to EUR 300,000⁹⁷, while its 2013 Migration Strategy sets out the task to create concrete rules to incentivise investments.
- ★ The same reasons underpinned the decision of **Latvia** to revise their programme in October 2014: the minimum financial investment required in real estate (raised from EUR 81,000 to EUR 250,000) would reduce the number of investors who are perceived as having inflated housing prices and abused of this admission route for purposes other than contributing to the national economy;
- ★ As of 1 June 2014 the **Netherlands** extended the possibilities to invest in a contractual joint venture, a participation fund and a seed fund in formation. Moreover, the minimum residence period was reduced from 6 to 4 months per year. In the **United Kingdom**, changes were implemented in November 2014, including doubling the investment threshold (from £1 to £2 million, ~ EUR 1.33 to EUR 2.66 million);
- ★ Conversely, a study undertaken in **Finland** has considered ways to attract more investments: however, the following proposal for an action plan did not aim to include facilitated admission schemes for third-country nationals.

Evaluations served also the purpose to collect evidence on alleged **consequences** of programmes attracting third-country nationals for business purposes.

- ★ In **Czech Republic** low criteria for admission are considered to attract a number of applicants who do not intend to do any business at all but seek to achieve legal status in the EU.
- ★ In **Hungary** the authorised intermediary companies involved in selling bonds are often

⁹⁵https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/285220/Tier1investmentRoute.pdf

⁹⁶ COM (2010) 343 - Towards a comprehensive European international investment policy

⁹⁷ As of 1 January 2015

criticised: the issue relates to the size of the commission they retain (around EUR 40,000 per investment) and their offshore nature;

- ★ In a Parliamentary debate held in December 2014, the opposition party argued that **Luxembourg** should maintain an attractive fiscal environment to counterbalance any loss of competitive edge, due to qualification / skills shortages in the resident population, limited connectivity with other international business centres and the diminished attractiveness for foreign investors;
- ★ In the **United Kingdom** no additional burden on the National Health System has been proven as immigrants used private health care. Concerns are instead raised about possible impacts on other public services, though this is not considered easily measurable.

4.1.2 IMMIGRANT BUSINESS OWNERS

In some Member States (**AT, FR, ES, IE, NL, PL, SK**) evidence of the economic impact of business owners in their country is available. In 2013, ABA-Invest supported 228 (EU and non-EU) companies to locate their business operations in **Austria**, accounting for a total investment value of EUR 347.8 million and 1,479 new jobs created.

In 2014 the **Polish Information and Foreign Investment Agency** recorded an unprecedented high volume of foreign investments (approx. EUR 1.8 billion) made by companies (EU and non-EU) supported which are expected to generate almost 9,000 jobs. In addition, the establishment of Special Economic Zones is expected to bring to Poland PLN 181.7 billion over the years 2000-2026 (~ EUR 43 million), the majority of which from EU countries.

Incentives provided between 2001 and 2007 by the **Slovak Republic**, attracted 84 foreign (EU and non-EU) investors expected to invest a total of EUR 5.5 billion and create a total of 34,783 new jobs by 2016.

The 3,300 foreign owned firms based in **Ireland** employ approximately 250,000 people directly. IDA-supported foreign owned companies: contributed 72 percent to total corporation tax revenues in 2012.

In 2013, 5,000 extra jobs were created in the **Netherlands** with a positive impact on innovation whilst the Invest in France Agency (IFA) 2013 report highlights **France's** growing attractiveness in research and innovation, while confirming that the diversity of the territory - along with the quality of infrastructure and the workforce - constitutes a powerful pull factor for investments.

In **Spain** approx. EUR 234 million have been generated by the end of 2014 by entrepreneurial activities, which are estimated to be accompanied by the creation of a total of 2,624 jobs in the coming years.

However, some Member States reported that businesses created by third-country nationals are

shown to be more **vulnerable** over time, with only 40% still active after five years in **France**. This phenomenon was found also by **Sweden**, where the majority of residence permits are issued to persons who start up, or acquire, small enterprises. In many cases, these are one-man operations, ranging across a broad spectrum of branches and types of businesses.

The Entrepreneurship Forum in Ireland has recommended better marketing to increase uptake of the STEP. In March 2014 the Minister for Justice and Equality announced changes to STEP in order to align it with the national strategy to promote Ireland as a world class business location. Changes lowered the minimum investment amount from EUR 75,000 to EUR 50,000.⁹⁸ A study undertaken in **Finland** shows that immigrant business owners perceive the society as too complex and highly regulated, in spite of the advisory services in place.

Monitoring and evaluation of policies have also resulted in the identifications of issues associated with abuse / misuse of the migration channel for business owners in some Member States:

- ★ Concerns about the **alleged abuse** of the migration channel for business owners (in light of the steadily increased number of temporary residents - from 1,200 in 2009 to 6,000 in 2014) were raised in **Lithuania** and echoed by national authorities consulted to amend the current legislation.
- ★ Media and political coverage in the **Netherlands** often has a negative tone, focusing on exploitation, abuse and unfair competition.
- ★ In **Slovenia**, violations related to employment and work of third-country nationals (recorded by the Labour Inspectorate) have been progressively decreasing over the last years.
- ★ The misuse of immigration rules for immigrant business owners is debated in **Latvia** and **Sweden** too. In the latter the lower financial threshold (compared to the investors' route) and the right to a permanent residence permit after an initial stay of two years are considered to act respectively as incentives.
- ★ Significant levels of **misuse** were detected under one migration route of business entrepreneurs, the Tier 1 Entrepreneur category in the **United Kingdom**. The misuse has been associated with those admitted UK for the purpose of study as a measure to extend their stay, and who were found to be in (low-skilled) employment rather than in business and is being addressed through changes in the relevant legislation in 2014.

⁹⁸ In cases whereby more than one principal is involved in establishing a business, the minimum investment for the second and subsequent investors will be €30,000 per principal.

4.1.3 OTHER BUSINESS PEOPLE

Evaluation studies and reports have highlighted a number of issues for other business people.

A study undertaken in **Austria** on **Independent Professionals** (IPs) shows⁹⁹ that there have been cases of third-country sending companies obliging their employees to work under service contracts for the duration of their stay abroad, so that they are formally self-employed entrepreneurs and no longer subject to the regulations of the Employment of Foreign Nationals Act. The competent immigration authorities face capacity constraints in effectively implementing monitoring requirements. In 69% of the controlled self-employed workers several indicators for **bogus self-employment** were found.¹⁰⁰ The points system for IPs was amended in the **Netherlands** to make rules more flexible: despite a certain interest in the Dutch market, the number of applications remain stable.

In none of the categories comprised under other business persons were instances of misuse of these migration channels was reported by Member States participating in the Study.

4.2 CHALLENGES AND BARRIERS

Challenges were reported by most Member States (**AT, BE, DE, ES, FR, HU, IE, LT, LU, LV, NL, PL, SE, SK, UK**) on the design and implementation of policies to attract and admit third-country nationals for business purposes. A weak link between economic and immigration policies is considered a significant limit to designing comprehensive business-friendly policies (**BE**). High investment and job creation requirements may be considered as a barrier to persons wishing to come to **Ireland** under the Business Permission scheme or to **Lithuania**. Connected to this is the argument that given the ongoing competition among Member States to attract capital, policies should be able to **define and maximise the benefits and advantages which balance the costs of entry and establishing** in a Member State (**LU, UK**).

Some Member States raised concerns about the difficulty to **counteract the establishment of bogus economic activities** set-up by third-country nationals whose only aim is to simply entry and stay in the Member State (**AT, CZ, HU, LT, PL**) or engage in illicit activities (**SE**), thus misusing the schemes in place. One of the main challenges is ensure a balance between selective admission criteria able to prevent and reduce abuses and yet provide for favourable

channels for genuine third-country investors and business owners (**AT, CZ, LT, LV**). Furthermore, **the complexity of administrative procedures** and of the coordination among competent authorities in charge of the implementation of policies is an obstacle to attract immigrant investors and immigrant business owners (**BE, FI, FR, LT, LU, PL**).

With regard to the **stages of admission and stay**, challenges were reported by fifteen Member States (**AT, BE, DE, EE, FI, FR, HU, IE, LT, LV, LU, NL, SK, SE, UK**). The complexity of application procedures is a general criticism reiterated by several Member States (**AT, BE, DE, FR, HU, LT, LV, LU, NL, PL, SE, SK**), though not entirely related to the nature of specific admission programmes but more as remarks to the normal procedures regulating immigration. **Sweden** reported that international students often apply for a change of status to set up their own enterprise, while labour immigrants at times wish to leave their jobs and become self-employed.

In fewer cases, the procedures are considered rigid, slow and requiring much supporting documentation (**DE, FI, FR, HU, LT, PL, SE**); the different permits and visas are likely to confuse the applicant (**FI, FR, LU, PL, SE**) or are perceived as unclear (**AT, BE, LT**). Some requirements represent an issue especially when it is not clear which criteria are decisive for the selection (**AT**), or because the process may be perceived as not transparent (**BE, LT**). The high number of applications received may be an issue when this exceeds the quota (**AT**) or considering that the examination requires high technical skills and training (**FR**), while high taxation (**FR, LU**), installation costs and high costs of living (**IE, LU**) and unfriendly and complicated taxation system, public procurement and construction law (**PL**) are also considered as barriers to favour business migration. Finally, the lack of a fast-track procedures for renewal is a common challenge for investors and business owners (**IE, LU**).

Residence arrangements, such as minimum stay requirements, are mostly likely to discourage applicant **immigrant investors** (**EE, NL, SK, UK**). In some cases, the limited duration of residence permits cannot ensure an effective turnover of investments (**NL**). The limited **capacity to attract investments** (i.e. hedge funds) **may be also caused by insufficient** popular acceptance of foreign direct investments (**DE**). Finally, difficulties to apply for a residence permits for family members (**LU**) and the limited choices in the form of investment to be made (**UK**) are perceived as barriers.

Immigrant business owners are reported to face challenges mostly at start-up phase (**DE, FI, IE, LU, NL, PL, SE, SK**): although being willing to set up business, they encounter obstacles such as limited country-knowledge (**DE, FI, IE, PL**); language barriers (**BE, DE, FI, PL, SK**) and high levels of bureaucracy (**BE, FR, LT, LU, PL, SK**), difficulty in obtaining the necessary capital to set-up a business (**DE, PL**) or limited forms of conducting business

⁹⁹ Raza, W. (2008) Temporary migration of natural persons (Mode 4) under GATS: An assessment for the EU from a labour perspective

¹⁰⁰ Riesenfelder, A. / Wetzlar P. (2013) Neue Arbeitsformen im Grenzbereich Selbständigkeit/Unselbständigkeit. Analyse der Situation in der Bauwirtschaft. [New forms of work between self-employment/employment. Analysis of the construction sector]

activity by newly arrived immigrants (**PL**), in proving sufficient financial means to support themselves during the first two years or specifying their business idea/submitting a business plan (**SE**). Moreover, standards and costs for third-country nationals wishing to enter EU for the business purposes remain high and may be prohibitive (**IE, LU**). Lack of network connections and unawareness of business supports seem to cause low rates of membership in the mainstream business representative organisations among ethnic entrepreneurs (**IE, LU, PL, SE**).

Other challenges reported are the following:

- ★ Difficulties in introducing fast-track procedures for renewal (**IE**);
- ★ Access to credit for small and medium sized enterprises (**IE, LU, PL**);
- ★ Length of judicial proceedings to solve disputes (**PL, SK**);
- ★ Higher taxes and social security contributions (**LU**);
- ★ Shortages of a qualified workforce in certain sectors of the economy (**LU**);
- ★ Risk of fraud, resulting in non-genuine business (**LT, SE, UK**).

Few challenges were reported specifically with regard to **other business persons**, some of which common to different categories and a few Member States. These are: burdensome bureaucracy and/or lengthy procedures (**BE, DE, FR, HU, PL**), additional costs for visa (**LV, SE**) and complex rules to understand if a visa or a permit is needed, and which permit is required (**FR, PL, SE**). Moreover, **Austria** reported the risk of social dumping with regard to ICTs and Contractual services suppliers and of bogus employment for independent professionals. With regard to intra-corporate transferees, the **Netherlands** and **Poland** stated that rules on protection of the labour market do not always match well with the desired flexibility of international companies wishing to deploy their staff. Finally, **Hungary** reported that little evidence exists that some schemes can be validly used for justifying an interest in establishing a business.¹⁰¹ A limit to the admission of graduate trainees is that these are considered as workers, therefore required to submit an application for a single permit and to pass a labour market test.

5 Good practices and lessons learnt

A number of good practices and lessons learnt in attracting and admitting third-country nationals for the purpose of business have been proposed by Member States. These reflect the need for Member States to find ways to balance flexibility with certainty and

match the demands of investors and business owners for longer visas and permits. The good practices collected are presented below under a number of themes:

5.1.1 PROMOTING INVESTOR / BUSINESS OWNER PROGRAMMES

In the area of **promotion of programmes** for migrant investors and business owners:

- ★ **Estonia** and **Poland** target third-countries where their foreign representations are located, e.g. in Russia, Ukraine, Japan, United States of America India and China, as well as other EU Member States;
- ★ In **Germany** there are entrepreneurship prizes for people with an immigrant background;
- ★ **Hungary** and **Poland** established respectively the Hungarian Investment Promotion Agency (HIPA) and the Polish Information and Foreign Investment Agency to provide professional help to foreign companies intending to invest;
- ★ In **Ireland**, the Department of Foreign Affairs and Trade promotes investor and business owner schemes, while in **Poland**, the support of the Polish Information and Foreign Investment Agency and the Regional Investor Assistance Centres has positively encouraged entrepreneurship from third countries. The Netherlands Foreign Investment Agency (NFIA) has been providing information to interested parties about entrepreneurship in the **Netherlands** for 35 years and has assisted thousands of companies in setting up their businesses;
- ★ In both **Belgium** and **Luxembourg**, the economic missions organised by the Ministers of Finance and Economy allow a direct personal contact between foreign investors and high level authorities, which can facilitate the attraction of investors on emerging economies (i.e. BRIC or Latin American countries) and innovative sectors as well as on attracting corporate headquarters;
- ★ In **Poland**, the proactive business policy of the local authorities in Lesznowola, boasting the largest distribution centre of Asian goods in the Central and Eastern Europe (including competitive tax rates, efficient institutional services, individual contacts with entrepreneurs and complete zoning plan), has contributed to the development of foreign investments mainly from China, Turkey and Vietnam;
- ★ The importance of integrating economic and migration policies in **Spain** has been emphasised by the 2014 OECD International Migration Outlook which defines the new policy a model that combines “the perspectives of support to business internationalisation and the promotion of economic

¹⁰¹ Challenge relevant for business visitor, business sellers and contractual services suppliers.

growth based on the traditional goals of migration policy: security and employment”.¹⁰²

- ★ In **Sweden** the Swedish Migration Agency website provides information in Swedish and English for business owners. Efforts have been made to develop an application form, including a template for a business plan, through which most of the information case-workers need can be easily provided. In 2014, the number of staff dealing with applications for residence permits for self-employment was raised, expectedly leading to shorter processing times.

5.1.2 FACILITATING ADMISSION PROCEDURES FOR INVESTORS AND BUSINESS OWNERS

A number of good practices have been reported by Member States including:

- ★ **Czech Republic** and **Lithuania** have recognised that setting low criteria for the admission of third-country nationals for business purposes does not ensure that they will contribute to the national economy, labour market or the national budget; the admission criteria are only one (although very important) element in the approach to ensuring that the positive impacts of immigrant investments and enterprises are realised;
- ★ **Estonia** has introduced as of 1 December 2014 the e-residency digi-ID enabling a non-EU national to participate in the public and private administration of Estonia, notwithstanding their physical residence. The new system allows the owner to, i.e., register a company in Estonia electronically, use e-banking, e-tax board and sign documents digitally;
- ★ **France** is considering new initiatives: these include the creation of a new residence permit for qualified foreign workers called "talent passport" ("*passport talents*") and a one-stop shop to facilitate the installation of foreign start-ups ("French Tech Ticket"). This is consistent with some of the good practices on procedural facilitations and the recent harmonisation of the list of documents required for a residence permit application to enhance attractiveness of the national programme;
- ★ In **Ireland** the cooperation between economic migration and immigration policy makers in recent years was positively strengthened. The introduction of a working scheme to deal with atypical, short-term employment has proven to be highly effective as it provides for a flexible, streamlined mechanism which facilitates business-related migration. In addition, registration with the

Garda National Immigration Bureau is fast-tracked in relation to successful applicants under the immigrant investor and start-up entrepreneur programmes.

- ★ In **Latvia**, an amendment to the Immigration Law, setting out additional conditions for a third-country national to obtain a temporary residence permit for the purchase of real property, has facilitated flows of investment by third-country nationals.
- ★ In **Spain**, analysing the business project of on a case by case basis and regulating the change of status for graduate students from universities and business schools are considered good practices
- ★ In **Sweden**, it is considered a good practice not to require immigrating business owners to invest a certain minimum amount of money or to create a specific number of jobs, as such requirements could stall the immigration of business owners which is already considered modest.

5.1.3 PREVENTING MISUSE AND ABUSE

In the area of prevention of misuse/abuse of admission channels for migrant investors and business owners:

- ★ **Estonia** strengthened its procedures following the reporting of misuse of residence permits for entrepreneurs, involving Police and Border Guard Board in ex-post checks, plus introducing a requirement for additional documents to prove the availability of real investments made to a company (i.e. bank transfers). Estonia also strengthened its procedures by involving economic / business experts in the business plan assessment process;
- ★ **Lithuania** tightened the requirements for foreigner business owners after the proliferation of applications for residence permits and introduced criteria to evaluate whether the business is bogus and used during the admission, replacement/extension or revocation phases;
- ★ In the **Netherlands**, the government strongly focuses on preventing money laundering. It does so, for example, by demanding an auditor's opinion. However, this step seems to be an obstacle for third-country nationals in order to make use of this scheme, resulting in the dilemma of finding the right balance between deterring investors with criminal assets and motivating honest investors.

6 Conclusions

This Study has provided an **overview / mapping** of the programmes and schemes in place to attract third-country nationals coming to the EU for business purposes, and the national rules and policies in place that regulate their admission and stay.

Designing and implementing programmes and schemes to attract and admit third-country nationals for business purposes is a **growing phenomenon**. More than half of the EU Member States seek to actively attract investments/investors and

¹⁰² http://www.keepeek.com/Digital-Asset-Management/oecd/social-issues-migration-health/international-migration-outlook-2014_migr_outlook-2014-en#page1

entrepreneurs, while supporting international mobility. In many cases, such schemes have been introduced relatively recently, and in response to the economic crisis, which accounts in part for the limited availability of supporting statistics and evaluation information available to better understand the phenomenon.

The admission of third-country national investors and business owners is not harmonised at EU level and Member States have designed and implemented **specific programmes** for these groups according to national priorities and needs. Therefore national legal frameworks show considerable variety across Member States with regard to the definitions and **categories** of third-country nationals admitted for business purposes, and the ‘incentives’ that are made available.

Other categories of business persons may include the six pre-defined categories of “natural persons” providing services, under the specific commitments of the General Agreement on Trade in Services (**GATS**) and EU free-trade agreements; however these categories are not recognised by all Member States and they are not distinguished in practice by existing definitions in all Member States. In other words, such categories do not correspond to the definitions and immigration channels provided by national immigration law in all Member States.

Targeted and well-structured **information** regarding each of the categories of business persons could explain to relevant actors (i.e. the business community, employers, national migration authorities, or immigration officers at missions abroad) the requirements and pathways for access to and entry into EU Member States of third-country nationals admitted for business purposes. Initiatives such as the EU Immigration Portal¹⁰³ could serve this purpose.

Programmes that facilitate the admission of immigrant investors, business owners and other business persons strive to find the **right balance** between incentives and rights offered to third-country nationals on the one hand and admission criteria which guarantee effective controls and secure borders. Such Member States exercise their competence to design policy to favour economic migration, by picking and choosing measures and criteria they deem will best meet their national needs whilst also meeting the requirements of and acting as incentives to business persons.

Some Member States, mainly **higher-rate immigration** Member States that are implementing programmes for business persons have developed and / or adapted their programmes over the years with the aim to better meet the needs of their national markets and seek higher economic benefits. Detailed admission criteria may be purposely designed to target specific groups of third-country nationals whose presence

would constitute a certain added value to host country, a region or a specific economic sector. In **lower-rate immigration** Member States, immigrant investors’ programmes may have been more recently designed as economic recovery measures or, more ambitiously, to act as (regional) hubs for investments. In other Member States immigration for business purposes does not seem to be a priority, or to be attributed any higher degree of attention.

Member States have in general put in place measures to detect the misuse / abuse of the business channel by migrants to the EU. In some Member States these may be undertaken by the authority responsible for admission, at home and abroad; others may employ a specialist agency or a wider combination of actors. While the level of controls at admission stage allows Member States to detect cases of potential **misuse / abuse**, more sophisticated mechanisms are not really devised: it is only at the moment of the renewal of the residence permit or when specific inspections are carried out, for example, that they become manifest. Overall, the report has found **little evidence of systemic misuse / abuse of business migration channels** across the EU, although national media debates have raised concerns about the *potential* risks involved. Where abuse has been reported, there is evidence that Member States have reacted quickly to apply remedial action, in law, policy and / or practice.

Overall, there has been very **limited formal evaluation** of the various programmes to attract and admit business persons with the wider aim of contributing to economic growth and development in Member States. However, the Study reveals examples of Member States having successfully adjusted their programmes over time to refocus on achieving specific policy priorities, introduced procedural adjustments to improve effectiveness (sometimes in consultation with the business community) and adjusted their legal frameworks and / operational practices to address misuse and abuse, all of which suggest an important role for the continuous **monitoring and evaluation** of such programmes if their potential is to be fully realised. Such approaches would also have the potential for Member States to learn from each other’s’ experiences in devising attractive, effective systems to enhance the EU’s ability to limit misuse and to improve its position in the global competition to attract and promote investment from third countries.

¹⁰³ <http://ec.europa.eu/immigration/>

Annex 1 Glossary of terms

'Immigrant investor' - Third-country national meeting the criteria set by a Member State and admitted on a long-stay visa to a Member State for the purpose of making a (substantial) financial investment either in financial products or in a business but without involving in the day to day operations or in the management of business.

'Immigrant business owner' - Third-country national meeting the criteria set by a Member State and admitted on a long-stay visa to the Member State to i) set up a business and be involved in its management; ii) take over the running of a business or businesses and be involved in its management; iii) or for self-employment.

'Intra-corporate transfer'¹⁰⁴ - Temporary secondment for occupational or training purposes of a third-country national who, at the time of application for an intra-corporate transferee permit, resides outside the territory of the Member States, from an undertaking established outside the territory of a Member State, and to which the third-country national is bound by a work contract prior to and during the transfer, to an entity belonging to the undertaking or to the same group of undertakings which is established in that Member State, and, where applicable, the mobility between host entities established in one or several second Member States;

'Intra-corporate transferee'¹⁰⁵ - Any third-country national who resides outside the territory of the Member States at the time of application for an intra-corporate transferee permit and who is subject to an intra-corporate transfer;

'Long-stay' visa (or National D-Type visa) - 'Long-stay visa' means the authorisation or decision of a Member State required for entry for an intended stay in that Member State of more than three months (Source: EMN Glossary V 2.0).

'Other business persons' - All categories included in (but not limited to) the "Temporary Movement of Natural Persons (or "Mode 4" categories) admitted to a Member State on a short-stay visa or a long-stay visa for the purpose of doing business which are nor immigrant investors nor immigrant business owners.

'Residence permit' - Any authorisation issued by the authorities of a Member State allowing a **third-country national** to stay legally in its territory, in accordance with the provisions of Article 1(2)(a) of Council Regulation (EC) No 1030/2002 of 13 June 2002 laying down a uniform format for residence

permits for third-country nationals (Source: EMN Glossary V 2.0).

'Short-stay' visa (or Schengen C-Type visa) - The authorisation or decision of a Member State required for entry for an intended stay in that State or in several Member States for a period whose total duration does not exceed 90 days in any 180-day period (Source: Visa Code as amended by Regulation (EU) No 610/2013).

'Temporary movement of natural persons' (or 'Mode 4' Categories)¹⁰⁶ - 'Mode 4' is one of the four ways through which services can be supplied internationally under the General Agreement on Trade in Services (GATS). It covers the supply of a service by a service supplier of one Member of the Agreement, through the presence of natural persons of a Member in the territory of another Member, and covers the temporary movement of natural persons for the purpose of supplying a service.

¹⁰⁴ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/jha/142571.pdf Article 3 b) of the Directive 2014/66/EU

¹⁰⁵ Article 3 c) of the Directive 2014/66/EU

¹⁰⁶ The complete list of categories, criteria for admission and length of stay of the pre-defined six "Mode 4" categories is provided in Annex 2

Table 1: Temporary Movement of Natural Persons under international trade agreements – EU “Mode 4” categories

Category	Criteria	Length of stay
BVEP: Business visitors for establishment purposes'	<p>Natural persons</p> <ul style="list-style-type: none"> - working in a senior position who: - are responsible for setting up an enterprise, - do not offer or provide services or engage in any other economic activity than required for establishment purposes. - do not receive remuneration from a source located within the host Party. 	Up to 90 days in any twelve month period
ICT: 'Intra-corporate transferees' ¹⁰⁷	<p>Natural persons who:</p> <ul style="list-style-type: none"> - have been employed by a juridical person or have been partners in it for at least one year - are temporarily transferred to an enterprise, the host entity, that may be a subsidiary, branch or head company of the juridical person in the territory of the other Party, - belong to one of the following categories: <p>1. Managers:</p> <p>Persons holding a senior position, who primarily direct the management of the host entity, receiving general supervision or guidance principally from the board of directors of the business or equivalent; that position shall include:</p> <ul style="list-style-type: none"> – directing the host entity or a department or sub-division of the host entity – supervising and controlling the work of other supervisory, professional or managerial employees – having the authority to recommend hiring, dismissing or other personnel action;. <p>2. Specialists:</p> <p>Persons working within a juridical person who possess specialised knowledge essential to the host entity's areas of activity, techniques or management. In assessing such knowledge, account shall be taken not only of knowledge specific to the host entity, but also of whether the person has a high level of qualification including adequate professional experience referring to a type of work or activity requiring specific technical knowledge, including possible membership of an accredited profession;</p>	Up to 3 years
GT: Graduate trainees / trainee employees¹⁰⁸	<p>Natural persons who:</p> <ul style="list-style-type: none"> - have been employed by a juridical person of one Party or its branch for at least one year, - possess a university degree - are temporarily transferred to a subsidiary, branch or representative office of the juridical person in the territory of the other Party, for career development purposes or to obtain training in business techniques or methods. 	Up to 1 year
BS: Business sellers	<p>Natural persons who:</p> <ul style="list-style-type: none"> - are representatives of a services or goods supplier of one Party, - seeking entry and temporary stay in the territory of the other Party for the purpose of negotiating the sale of services or goods, or entering into agreements to sell services or goods for that supplier - do not engage in making direct sales to the general public - do not receive remuneration from a source located within the host Party 	Up to 90 days in any twelve month period

¹⁰⁷ Definition as in Directive 2014/66/EU¹⁰⁸ Directive 2014/66/EU

	- are not they commission agents.	
CSS: 'Contractual services suppliers'	<p>Natural persons:</p> <ul style="list-style-type: none"> - employed by a juridical person of one Party which itself is not an agency for placement and supply services of personnel nor acting through such an agency, has not established in the territory of the other Party and has concluded a bona fide contract to supply services with a final consumer in the latter Party, requiring the presence on a temporary basis of its employees in that Party, in order to fulfil the contract to provide services - must be engaged in the supply of a service on a temporary basis as employees of a juridical person, which has obtained a service contract not exceeding twelve months. - should be offering such services as employees of the juridical person supplying the services for at least the year immediately preceding the date of submission of an application for entry into the other Party. - must possess, at the date of submission of an application for entry into the other Party, at least three years professional experience in the sector of activity which is the subject of the contract. - must possess a university degree or a qualification demonstrating knowledge of an equivalent level - must possess professional qualifications where this is required to exercise an activity pursuant to the laws, regulations and legal requirements of the Party where the service is supplied. - shall not receive remuneration for the provision of services in the territory of the other Party other than the remuneration paid by the juridical person employing the natural person. 	A cumulative period of not more than 6 months or for the duration of the contract, whichever is less. ¹⁰⁹
IP: 'Independent professionals'	<p>Natural persons:</p> <ul style="list-style-type: none"> - engaged in the supply of a service - established as self-employed in the territory of a Party who have not established in the territory of the other Party - who have concluded a bona fide contract (other than through an agency for placement and supply services of personnel) to supply services with a final consumer in the latter Party, requiring their presence on a temporary basis in that Party in order to fulfil the contract to provide services - must be engaged in the supply of a service on a temporary basis as self-employed persons established in the other Party - must have obtained a service contract for a period not exceeding twelve months. - must possess, at the date of submission of an application for entry into the other Party, at least six years professional experience in the sector of activity which is the subject of the contract. - must possess a university degree or a qualification demonstrating knowledge of an equivalent - must possess professional qualifications where this is required to exercise an activity pursuant to the laws, regulations or legal requirements of the Party where the service is supplied. 	A cumulative period of not more than 6 months or for the duration of the contract, whichever is less. ¹¹⁰

¹⁰⁹ In Luxembourg A cumulative period of not more than **6 months** or for the duration of the contract, whichever is less, for all free trade agreements signed before the Canadian Trade Agreement

¹¹⁰ In Luxembourg A cumulative period of not more than **6 months** or for the duration of the contract, whichever is less, for all free trade agreements signed before the Canadian Trade Agreement

Annex 2 Policy framework, admission criteria and measures

Table A2.1 Member States programmes and admission criteria for Immigrant Investors ¹¹¹

Member State	Policy goals			Admission requirements					
	Priority sectors	Main objectives	Expected impact on economy	Type of investment	Investment plan	Minimum financial requirement	Educational / professional skills	Language knowledge	Minimum age requirement
Austria	NA	NI	Yes	Transfer of investment capital	No	No	No	No	No
Belgium	NA	NA	NA	NA	NA	NA	No	No	No
Bulgaria	NI	NI	NI	NI	NI	NI	NI	NI	NI
Croatia	NA	NA	NA	NA	NA	NA	No	No	No
Cyprus	Energy Banking and Financial Services Education Large-Scale Development Projects Research and Development (R&D) Information and Communication Technologies (ICT) Wellness Tourism	To promote and maintain favourable investment conditions and to support private initiatives in Cyprus To encourage foreign participation in the economy, especially in the field of the real estates.	NI	Energy Technology, Media and Electronic Research and Development Banking system Financial services Real estate Important sector for Member State	No	For "New Expedited Procedure" (NEP): a. Purchasing a house/flat of a minimum value of EUR 300,000 b. Deposits for three years in a banking institution in Cyprus of at least EUR 30,000 c. Secured income from abroad of a minimum amount of EUR 30,000 plus EUR 5,000 for each dependant	No	No	Yes
Czech Republic	NA	NA	NA	NA	NA	NA	No	No	No
Estonia	NA	NA	NA	NA	NA	NA	No	No	No
Finland	NA	NA	NA	NA	NA	NA	No	No	No
France	No particular sector	- To facilitate and encourage the stay of investors in France and enhance France's economic attractiveness. - attracting highly qualified migrants	Yes	- The creation or the commitment to create or safeguard at least fifty jobs on the French territory or the investment or commitment to invest in tangible or	Yes	- Exceptional economic contribution EUR 10 million. - "Skills and talents" residence permit: project including an investment in property, plant or equipment of at least EUR 300,000	Yes in the case of "Skills and talents" residence permit	No	No

¹¹¹ NI= No information

NA= Not applicable

The data is based on the contributions received by Member States in 2014 for the study

Member State	Policy goals			Admission requirements					
	Priority sectors	Main objectives	Expected impact on economy	Type of investment	Investment plan	Minimum financial requirement	Educational / professional skills	Language knowledge	Minimum age requirement
		or "high potential personalities".		intangible goods of at least EUR 10 million (Exceptional economic contribution residence permit) - Project contributing to the economic development and outreach of France and the country of origin ("Skills and talents" residence permit).					
Germany	<ul style="list-style-type: none"> - Biotechnology - Nanotechnology - Photonics - New materials (light materials, intelligent materials) - New production methods (efficiency improvements) The High-Tech Strategy focuses on: <ul style="list-style-type: none"> - Digital economy and society - Sustainable growth and energy - Innovative labour - Healthy life - Intelligent mobility - Civil security 	In practice, the German government does not actively channel investments, but it does promote investment abroad. At regional level and the level of universities, attracting investment is quite important, as well as for other entities such as the Industry, Trade, etc.	Yes	<ul style="list-style-type: none"> - business investments - national funds/bonds - transfer of capital - knowledge transfers 	No	No	No	No	No
Greece	NI	To attract investments, strategic investments, to facilitate business workers' mobility.	Yes	<ul style="list-style-type: none"> - Real estate - tourism - energy - information and communication technologies 	Yes	EUR 250,000	Yes	No	No
Hungary	Citizens of non-EU and not Atlantic states.	<ul style="list-style-type: none"> - improve the economy of HU - leverage effect on the domestic real 	Yes	<ul style="list-style-type: none"> - natural person or business with maturity of not less than 5 years with a 	No	EUR 250,000 under special requirements	No	No	No

Member State	Policy goals			Admission requirements					
	Priority sectors	Main objectives	Expected impact on economy	Type of investment	Investment plan	Minimum financial requirement	Educational / professional skills	Language knowledge	Minimum age requirement
		estate, trade and investment markets by further direct investments		nominal value of at least EUR 250,000, issued by a company that fulfils the requirements established by legislation					
Ireland		Job creation and further facilitation of Irish economic development	Yes	Immigrant Investor Bond Enterprise Investment Fund Real Estate Investment Trusts (REIT) Mixed Investment Endowment	Yes	- Immigrant Investor Bond: EUR 1,000,000 - Enterprise Investment: EUR 500,000 - Investment Fund: EUR 500,000 REIT: EUR 2,000,000 - Mixed Investment: EUR 500,000 and a purchase of residential property with a minimum value EUR 450,000 - Endowment: EUR 500,000. In the case of five or more investors wishing to combine their investment, a minimum investment of EUR 400,000 per investor is required.	No	No	No
Italy	NA	NA	NA	NA	NA	NA	No	No	No
Latvia	- real estate - construction - business	To stop the decline of economy during the period of crisis, to create new jobs, to make more active operations in the real property market, to establish new companies and to obtain investment for development of the already existing companies.	Yes	- real property - business (equity of a capital company) - As of 1 January 2015 it is possible to invest into the interest-free national securities as well	No	Investment in the equity capital of a company: a) EUR 35,000, performed in a capital company, which employs no more than 50 employees, the annual turnover or annual balance of which does not exceed EUR 10 million and which during the economic year pays not less than EUR 40,000 in taxes into both the state budget and local government budget. b) EUR 150,000, performed in a capital company, which employs no more than 50 employees and the annual turnover or annual balance of which does not exceed 10 million euro. Real property purchase: Value	No	No	No

Member State	Policy goals			Admission requirements					
	Priority sectors	Main objectives	Expected impact on economy	Type of investment	Investment plan	Minimum financial requirement	Educational / professional skills	Language knowledge	Minimum age requirement
						not less than EUR 250,000. The cadastral value of the property purchase should not less than EUR 80,000. Upon request of the residence permit the immigrant investor must pay 5% of the value of real property to the State. Subordinate obligations with a credit institution of the Republic of Latvia for not less than EUR 280,000 (for not less than five years) Upon request of the residence permit the immigrant investor must additionally pay EUR 25,000 into the state budget. Investment in interest-free national securities (available from 1 January 2015) for the value of EUR 250,000 and payment into the state budget in the amount of EUR 25,000.			
Lithuania	NA	NA	NI	NA	NI	NI	No	No	No
Luxembourg	<ul style="list-style-type: none"> - Industry - Eco technologies - Logistics - Health technologies - Information and Communication technologies - Corporate Headquarters <p>High added value and innovative Start-ups Targeted groups - banks and financial actors from China. - Persian Gulf countries. - Latin American</p>	<p>To attract foreign capital to invest in the country, developing highly added value activities. To guarantee the attractiveness, competitiveness and growth of the Luxembourgish economy The two main targets groups are: Financial investors and Investors in small and medium enterprises.</p>	NA	<ul style="list-style-type: none"> - transfer of capital - financial market - real estate - stocks and bonds 	NA	NA	No	No	Yes

Member State	Policy goals			Admission requirements					
	Priority sectors	Main objectives	Expected impact on economy	Type of investment	Investment plan	Minimum financial requirement	Educational / professional skills	Language knowledge	Minimum age requirement
	countries								
Malta	NI	NI	NI	NI	NI	NI	No	No	No
Netherlands	<ul style="list-style-type: none"> - Agriculture & Food - Chemistry - Creative Industry - Energy - High-tech Systems & - Materials (including the intersecting theme of IT) - Life Sciences & Health 	Strengthening Dutch innovation in business and employment creation	Yes	<ul style="list-style-type: none"> - innovative enterprise - contractual cooperation that invests in one or more innovative enterprises - participation fund member of the NVP (Dutch Association of Participation societies) - a starting seed fund recognised by the Dutch authorities 	Yes	EUR 1,250,000	No	No	No
Poland	<ul style="list-style-type: none"> - Automotive sector - Electronic sector and home appliances production sector - Aviation sector - Biotechnology sector - Agricultural-food sector - Modern services sector - Research and development 	<p>Increasing efficiency and competitiveness of Polish economy (attracting investments which are compatible with the national priorities, contribute to development of highly qualified staff, better paid jobs and facilitate the use of foreign sources to finance the expenses on R & D & I).</p> <p>Poland does not have a specific channel to facilitate admission of immigrant investors but it pro-actively promotes investments from third-country nationals i.e. by making available</p>	Yes	NA	NA	NA	NA	NA	NA

	Policy goals			Admission requirements					
Member State	Priority sectors	Main objectives	Expected impact on economy	Type of investment	Investment plan	Minimum financial requirement	Educational / professional skills	Language knowledge	Minimum age requirement
		various investment incentives.							
Portugal	No	To attract direct investment to Portugal	NI	- Capital transfers; - Creation of at least 10 new jobs; - Investment in real estate of €500.000 or over.	No	- Transfer of capital of at least EUR 1 million; - Acquisition of real estate amounting to at least EUR 500.000.	No	No	No
Romania	NI	NI	NI	NI	NI	NI	No	No	No
Slovak Republic	NA	NA	NA	NA	NA	NA	NA	NA	NA
Slovenia	- transfer of knowledge and technologies - Promotion of immigration of migrants with financial capital or of investors for developmentally promising investments with the effect of creating new jobs or of technologies/innovative skills transfer - Azerbaijan, India, Kazakhstan, People's Republic of China, Russian Federation and Turkey	To attract foreign investors with efficient use of public funds to making investments in the territory of the Republic of Slovenia so as to promote economic development of the Republic of Slovenia	No	high and medium-high technology	No	No	No	No	No
Spain	-Tourism sector -R&D&I -International trade Engineer	To promote investment, innovation and job creation	- Project deemed to be of general interest - Job creation - Investment with an important socio-economic impact in the geographical	- Spanish debt - Shares or equity holdings in Spanish companies - Bank deposit in Spanish financial institutions - Real property	Yes	Moveable capital: Spanish debt: 2 million euros. Shares or equity holdings in Spanish companies: one million euros. Bank deposits in Spanish financial institutions: one million euros. b) Real property: acquisition of real property in Spain (500,000 euros by each applicant net of any charge).	No	No	Yes

Member State	Policy goals			Admission requirements					
	Priority sectors	Main objectives	Expected impact on economy	Type of investment	Investment plan	Minimum financial requirement	Educational / professional skills	Language knowledge	Minimum age requirement
			area in which the activity will be carried out. Important contribution to scientific and/or technological innovation.			There is no minimum financial requirement for project of general interest. They are analysed in a case by case basis			
Sweden	NA	NA	NA	NA	NA	NA	NA	NA	NA
United Kingdom	NI	To provide for the entry and stay of high net worth individuals making a substantial investment in the UK	No	UK Government bonds or in share or loan capital in active and trading companies which are registered in the UK.	No	£2 million (about EUR 2,66 million)	No	No	Yes

Table A2.2 Documents issued to successful applicants under specific admission schemes and policy measures to attract immigrant investors¹¹²

Member States	Type of document issued	Duration of document issued	Procedural facilitations	Minimum residency requirement	Tax / financial incentives	Possibility for family reunification	Access to labour market	Access to social security	Accelerated access to citizenship
Austria	NI	NI	Yes	NI	No	Yes	Yes	Yes	Yes
Belgium	NI	NI	NA	NI	NA	NA	NA	NA	NA
Bulgaria	NI	NI	NI	NI	NI	NI	NI	NI	NI
Croatia	NI	NI	NA	NI	NA	NA	NA	NA	NA
Cyprus	Residence permit	5 years	Yes	1 visit in two years	Yes	Yes	Yes	No	Yes
Czech Republic	NI	NI	NA	NI	NA	NA	NA	NA	NA
Estonia	NI	NI	NA	NI	NA	NA	NA	NA	NA
Finland	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	Residence	3 or 10	Yes	No	Yes	Yes	Yes	Yes	Yes (in some

¹¹² NI= No information

NA= Not applicable

The data is based on the contributions received by Member States in 2014 for the study

Member States	Type of document issued	Duration of document issued	Procedural facilitations	Minimum residency requirement	Tax / financial incentives	Possibility for family reunification	Access to labour market	Access to social security	Accelerated access to citizenship
	permit	years							specific cases)
Germany	NA	NA	No	NA	No	No	No	No	No
Greece	Residence permit	5 years	Yes	NI	Yes	Yes	No	No	Yes
Hungary	Residence permit	5 years	Yes	Exemption from a 3-year stay obligation	No	Yes	Yes	Yes	No
Ireland	Residence permit	2 years	NI	Obligation to visit once a year	No	Yes	Yes	No	No
Italy	NI	NI	NA	NI	NA	NA	NA	NA	NA
Latvia	Residence permit	5 years	Yes	No minimum absence period for retaining a temporary residence permit. Absence of up to 12 months allowed in order to qualify for a permanent residence permit	No	Yes	Yes	No	No
Lithuania	NI	NI	NA	NI	NA	NA	NA	NA	NA
Luxembourg	Residence permit	Up to 3 years (in practice 1 year)	No	6 months	No	No ¹¹³	Yes	Yes	Yes
Malta	NI	NI	NI	NI	NI	NI	NI	NI	NI
Netherlands	Residence permit	1 year	No	4 months over 1 year	No	Yes	Yes	No	Yes
Poland	NA	NA	No (but Yes in practice)	NA	Yes	No	No	No	No
Portugal	Residence permit	1 year. Renewal for 2 years.	No	No	No	Yes	Yes	Yes	No
Romania	NI	NI	NI	NI	NI	NI	NI	NI	NI
Slovak Republic	NI	NI	NA	NI	NA	NA	NA	NA	NA
Slovenia	Residence	1 or 5 years	No	NI	No	Yes	No	Yes	Yes

¹¹³ However, if is a wealthy investor family members will obtain a residence permit for private reasons.

Member States	Type of document issued	Duration of document issued	Procedural facilitations	Minimum residency requirement	Tax / financial incentives	Possibility for family reunification	Access to labour market	Access to social security	Accelerated access to citizenship
	permit								
Spain	Residence permit	2 years. Renewal for 2 years	Yes	Obligation to visit Spain at least once in two years	No	Yes	Yes	No	No
Sweden	NA	NA	No	NA	No	No	No	No	No
United Kingdom	Tier 1 Visa	3 years	Yes	180 days over 1 year	No	Yes	Yes	No	Yes

Table A2.3 Member States programmes and admission criteria for Business owners¹¹⁴

Member States	Programme	Priority sectors	Main objectives	Expected impact on economy	Type of investment	Business Plan	Minimum financial requirement	Insurance	Educational / professional skills	Language knowledge	Minimum age requirements
Austria	Yes	No	To attract individuals whose self-employed activities in Austria generate overall economic benefits	Sustained transfer of investment capital to Austria Creating new jobs or securing existing jobs Transfer of know-how the worker's company is of considerable significance for the entire region	No	Yes	Yes	No	Yes	No	No
Belgium	No	R&D, Distribution, Pharma, Chemistry, Audio-visual Sector	Simplify and facilitate the arrival of immigrant business owners.	Economic benefits, i.e.: economic need, job creation, useful investments, economic impact on businesses in Belgium, promoting exports, innovative or specialized activity.	NI	No	No	No	Yes	No	No

¹¹⁴ NI= No information

NA= not applicable

The data is based on the contributions received by Member States in 2014 for the study

Member States	Programme	Priority sectors	Main objectives	Expected impact on economy	Type of investment	Business Plan	Minimum financial requirement	Insurance	Educational /professional skills	Language knowledge	Minimum age requirements
Bulgaria	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	No
Croatia	NI	NI	NI	No	NI	N	No	No	No	No	No
Cyprus	Yes	Shipping professional services Energy Banking and Financial Services Education Large-Scale Development Projects Research and Development (R&D) Information and Communication Technologies (ICT) Wellness Tourism	Establishment of new companies by third country nationals offering services. To promote and encourage foreign participation in the economy of foreign corporations and individuals	The application is examined, taking into consideration that the nature of the business contributes to the local economy.	Investment in: - Energy - Technology, Media and Electronic - Research and Development - Banking system - Securities – Stock Exchange - Financial services Shipping Large scale development projects Tourism	No	Yes	Yes	No	No	Yes
Czech Republic	Yes	NI	To speed-up immigration procedure	No	Established subsidiaries of multinational companies Newly founded subsidiaries of multinational companies	No	No	Yes	No	No	No
Estonia	Yes	No	To contribute to the establishment of companies and branches of foreign companies and the settling of sole proprietors and their activities which would significantly contribute to the development of the economy	The contribution to the Estonian economy may be taxes paid, jobs created etc.	Investments (shares of a company, the equity capital, subordinated liability and registered amount of fixed assets of a company) to a company (e.g. knowledge-based sector or sectors with a higher value - ICT, R&D) Start-up companies.	Yes	Yes	Yes	No	No	No
Finland	No	No	No	No	No	Yes	No	Yes	Yes	In practice yes	No

Member States	Programme	Priority sectors	Main objectives	Expected impact on economy	Type of investment	Business Plan	Minimum financial requirement	Insurance	Educational /professional skills	Language knowledge	Minimum age requirements
France	Yes	No	- Facilitating the admission of foreign "talent" - Commercial, industrial or craft occupation, that is economically viable and compatible with public security, health and peace, and that they respect the obligations imposed on French nationals for the exercise of the planned occupation.	Contribute to the economic development	No	Yes	Yes	Yes	Yes in the case of "skills and talents " residence permit	No	No
Germany	No	- An economic interest or a regional need. - The activity is expected to have positive effects on the economy and - Personal capital on the part of the foreigner or a loan undertaking is available to realise the business idea	General strategy of attracting business and investment to Germany	The needs of the profession in the region seem to be taken into account.	- business investments - national funds/bonds - transfer of capital - knowledge transfers	Yes	No	Yes	Yes	No	No
Greece	NI	NI	NI	NI	NI	NI	Yes	NI	NI	NI	NI
Hungary	No	No	No	Business association, established to engage in gainful operations that has been employing at least three Hungarian citizens or persons for at least six months without interruption The stay of the applicant TCN in Hungary must be essential for the business association, and the business plan enclosed with the application contains sufficient information	No	Yes	Yes	Yes	No	No	No

Member States	Programme	Priority sectors	Main objectives	Expected impact on economy	Type of investment	Business Plan	Minimum financial requirement	Insurance	Educational /professional skills	Language knowledge	Minimum age requirements
				to ascertain that the business association will prosper to ensure the applicant's subsistence.							
Ireland	Yes	The Start-up Entrepreneur Programme (STEP) is aimed at high potential start-ups in the innovation economy	STEP: To stimulate productive investment in Ireland' by attracting high potential start-ups. Business Permission Scheme: To facilitate non-EEA nationals coming to Ireland in order to establish a business that does not qualify for the STEP or a business that is intended for retail, personal services, catering or other business of this nature.	STEP: There are no initial job creation targets in place but one of the features of the high potential start-ups is the capability to create 10 jobs in Ireland Business Permission Scheme: Must create employment for at least two EEA nationals for a new project or, at the very least, maintain employment in an existing business.	STEP: High potential start-ups in the innovation is a venture that is: • Introducing a new or innovative product or service to international markets • Capable of creating 10 jobs in Ireland and realising €1,000,000 in sales within three to four years of starting up. • Led by an experienced management team • Headquartered and controlled in Ireland • Less than six years old The minimum investment for STEP is €50,000 Business Permission Scheme: Retail, personal services, catering or other business of this nature. The minimum investment is of €300,000	Yes	Yes	Yes	No	No	No
Italy	Yes	No	Attracting and incentivizing the stay of highly qualified human resources and innovative projects from third-countries	The expenditures on research and development equal to or greater than 30	Developing, manufacturing and marketing of innovative products	Yes	Yes	Yes	No	No	No

Member States	Programme	Priority sectors	Main objectives	Expected impact on economy	Type of investment	Business Plan	Minimum financial requirement	Insurance	Educational /professional skills	Language knowledge	Minimum age requirements
			into Italy. To encourage the creation and development of innovative start-ups in Italy	percent of the greater of cost and total value of production of the innovative start-up. Employing a percentage equal to or greater than the third of the total workforce, personnel Invention of industrial biotechnology, a topography of semiconductor product or a new plant variety directly related to the corporate purpose and business activity.	and services with high technological value						
Latvia	No	No	No	No	No	Yes	Yes	Yes	No	No	No
Lithuania	No	NA	Ensuring that only the foreigners seriously planning to develop business enter Lithuania and prohibiting entry for the foreigners who want to take advantage of Lithuania only as a transit country.	Creation of workplaces (not less than 3 workplaces providing full-time employment) which may be considered as contribution to the country's economy.	No	No	Yes	Yes	No	No	No
Luxembourg	No	Industry, eco technologies, logistics, health technologies, information and communication technologies, maritime clusters and research. Corporate headquarters and start-ups in innovative technologies with highly added value	To attract foreign investors and investors that are willing to create new businesses in Luxembourg or invest in small and medium-sized enterprises in order to create or to preserve jobs	Activity relevant for the Luxembourgish economy.	Services, financial market, knowledge-based sectors, corporations, start-ups. High potential to create jobs	Yes	Yes	Yes	Yes	No	Yes
Malta	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI
Netherlands	Yes	- Agriculture & Food	Serving essential interests of	Needs to meet 'Dutch	No	Yes	No	Yes	No	No	No

Member States	Programme	Priority sectors	Main objectives	Expected impact on economy	Type of investment	Business Plan	Minimum financial requirement	Insurance	Educational /professional skills	Language knowledge	Minimum age requirements
ds		<ul style="list-style-type: none"> - Chemistry - Creative Industry - Energy - High-tech Systems & Materials (including the intersecting theme of IT) - Life Sciences & Health - Logistics - Horticulture and - Propagating Materials - Water 	the Netherlands (public health, culture, the economy, socio-economic area). Giving innovative start-ups the opportunity to set up a business	interest'							
Poland	No	<ul style="list-style-type: none"> - Automotive sector - Electronic sector and home appliances production sector - Aviation sector - Biotechnology sector - Agricultural-food sector - Modern services sector - Research and development 	Increasing efficiency and competitiveness of Polish economy (attracting businesses which are compatible with the national priorities, contribute to development of highly qualified staff, better paid jobs and facilitate the use of foreign sources to finance the expenses on R & D & I).	Yes	NA	NA	NA	NA	NA	NA	NA
Portugal	Yes	No	To attract reproductive investment to Portugal	No	NI	No	No	Yes	No	No	No
Romania	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI
Slovak Republic	Yes	Industrial production Technology centres; Strategic services centres; Tourism	To grant regional investment aid and aid to increase employment.	Business activity contributing to Slovakia 's economic interests.	No	Yes	Yes	No	No	No	Yes
Slovenia	Yes	NI	Promotion of immigrant enterprise	<ul style="list-style-type: none"> - Increase of business ties of Slovene economy - Introduction and use of new technologies, business models or knowledge - Capital investments or expansion and 	NI	Yes	Yes	No	No	No	No

Member States	Programme	Priority sectors	Main objectives	Expected impact on economy	Type of investment	Business Plan	Minimum financial requirement	Insurance	Educational /professional skills	Language knowledge	Minimum age requirements
				opening of new markets for Slovene products.							
Spain	Yes	- Sectors which are job-creation-intensive or which provide added value to the economy, such as information and communication technology, engineering and internationalisation support sectors, etc.	To generate wealth and make the economy dynamic	- Job creation - To generate added value thorough innovation and investment opportunities	No exhaustive list. Case by case assessment.	Yes	No	Yes	No	No	No
Sweden	No	All sectors are possible	In principle any admission aim to support SE economy	No specific impact expected	All types of business possible	Yes	Yes	No	No	Yes (SE or EN)	No
United Kingdom	Yes	No	- Develop genuine and credible business ideas and entrepreneurial skills to extend their stay in the UK after graduation to establish one or more businesses in the UK - Graduates identified by UK Trade and Investment as elite global graduate entrepreneurs to establish one or more businesses in the UK	No	No	No	Yes	No	Yes	Yes	Yes

Table A2.4 Documents issued to admitted immigrant business owners and policy measures to attract them¹¹⁵

Member States	Type of document issued	Duration of document issued	Minimum residency requirement	Procedural facilitations	Tax / financial incentives	Possibility for family reunification	Access to labour market	Access to social security	Accelerated access to citizenship
Austria	RWR card for self-employed key workers	1 year	No	Yes	No	Yes	Yes	Yes	Yes
Belgium	The long stay visa (D) allows both self-employed and employed persons to enter Belgium. The self-employed person needs a professional card and is granted a residence permit (2-5 years) while the employed person needs a work permit B (1 year and is granted a residence permit (1 year +1 month)	Self-employed: 2-5 years Employees: 1year	No	Yes	Yes	Yes	Yes	Yes	Yes
Bulgaria	NI	NI	NI	NI	NI	NI	NI	NI	NI
Croatia	NA	NA	NA	NA	NA	NA	NA	NA	NA
Cyprus	Residence permit	NI	No	Yes	Yes	Yes	Yes	No	Yes
Czech Republic	Long-term visa	6 months	NA	NA	NA	NA	NA	NA	NA
Estonia	Residence permit	5 years	Yes	Yes	No	Yes	Yes	Yes	No
Finland	Residence permit	1 year (possibility for extension)	NA	No	No	Yes	Yes	No	No
France	Residence permit	"Skills and talents" residence permit: 3 years renewable "Business activity" residence permit: 1 year renewable	No	Yes in the case of "skills and talents" residence permit	Yes	Yes	Yes	Yes	Yes (in some specific cases)
Germany	Residence permit or long-term visa	National visa: up to 90 days Residence permit: 1-3 years	No	No	No	Yes	Yes	Yes	No
Greece	NI	NI	NI	NI	NI	NI	NI	NI	NI
Hungary	Residence permit	3 years	No	Yes	Yes	Yes	Yes	Yes	Yes
Ireland	Residence permit	STEP: 2 years renewable Business permission: 1 year renewable	No	No	No	Yes	Yes	No	No
Italy	Visa	1 year	No	Yes	Yes	Yes	Yes	Yes	Yes
Latvia	Temporary residence permit	- 5 years for individual merchant registered in the Commercial Register - 1 year for self-employed person	No	Yes	NI	No	Yes	No	NI
Lithuania	Temporary residence permit	3 years	No	Yes	No	Yes	Yes	Yes	Yes

¹¹⁵ NI= No information

NA= Not applicable

The data is based on the contributions received by Member States in 2014 for the study

Member States	Type of document issued	Duration of document issued	Minimum residency requirement	Procedural facilitations	Tax / financial incentives	Possibility for family reunification	Access to labour market	Access to social security	Accelerated access to citizenship
Luxembourg	Residence permit	3 years	6 months minimum per year	No	Yes	No	No	Yes	No
Malta	NI	NI	NI	NI	NI	NI	NI	NI	NI
Netherlands	Regular provisional residence permit	3 months. - Self-employment scheme: 2years. - Extension: 5 years - For start-up entrepreneurs: 1 year, after which they can move on to the self-employment scheme	No	Yes	Yes	Yes	Yes	No	Yes
Poland	Long stay visa	Up to 1 year	NA	No	Yes	No	No	Yes	No
Portugal	Residence visa for purposes of pursuing a self-employed activity or for immigrant entrepreneurs.	1 year renewal	NI	No	No	Yes	Yes	Yes	No
Romania	NI	NI	NI	NI	NI	NI	NI	NI	NI
Slovak Republic	Temporary residence for business purposes Permanent residence	- 3 years - Business owner with certificate of major investment: 5 years and subsequently indefinite period of time.	No	Yes	Yes	Yes	Yes	Yes	No
Slovenia	Schengen visa or long-term residence permit.	90 days Up to 1 year in general Up to 5 years in exceptional cases	No	No	No	Yes	No	Yes	Yes
Spain	Residence permit	2 years renewable	No	Yes	No	Yes	Yes	No	No
Sweden	Residence permit	2 years, can be extended and become permanent	No	No	No	Yes	No	Yes	No
United Kingdom	Long stay visa	3 years, can be extended for a further two years.	No	Yes	No	Yes	Yes	No	Yes