

# Seed's idea proposition on the introduction of a start-up visa

Seed

Advisory | Tax | Regulatory | Strategy

# Context

We have been asked to propose a framework for the introduction of a start-up visa aimed at potential business entrepreneurs who are seeking to establish their business in Malta. This visa is designed for experienced businesspeople, with a proven business track record who are not nationals of the European Economic Area (“EEA”) or Switzerland.

The issuance of a visa represents an essential step in ensuring the accessibility of skills and talent is made possible. Slow, cumbersome administrative procedures constitute significant barriers to the mobility of innovative entrepreneurs.

## Seed

**Existing start-up visa and entrepreneurial permits offered throughout the world**

# State of play across all European countries

Of the 27 EU countries, 16 countries currently offer some form of visa for entrepreneurs, whether they have an established business or nothing but a business plan in hand.

Country	Name of Programme
Austria	Red-white-red card for start-up founders
Cyprus	Cyprus Startup visa scheme
Denmark	Start-up Denmark
Estonia	Startup Visa Estonia
Finland	Start-up Entrepreneur residence permit
France	French Tech visa
Germany	Self-employed residence visa
Ireland	Start-up Entrepreneur Programme (STEP)
Italy	Italian Startup visa
Latvia	Latvia Startup visa
Lithuania	Startup visa Lithuania
Netherlands	Dutch Startup visa
Portugal	StartUP visa
Spain	Entrepreneur visa programme
Sweden	Self-employed residence permit
United Kingdom	Innovator visa
United Kingdom	UK start up visa



# State of play other in other non-EU countries

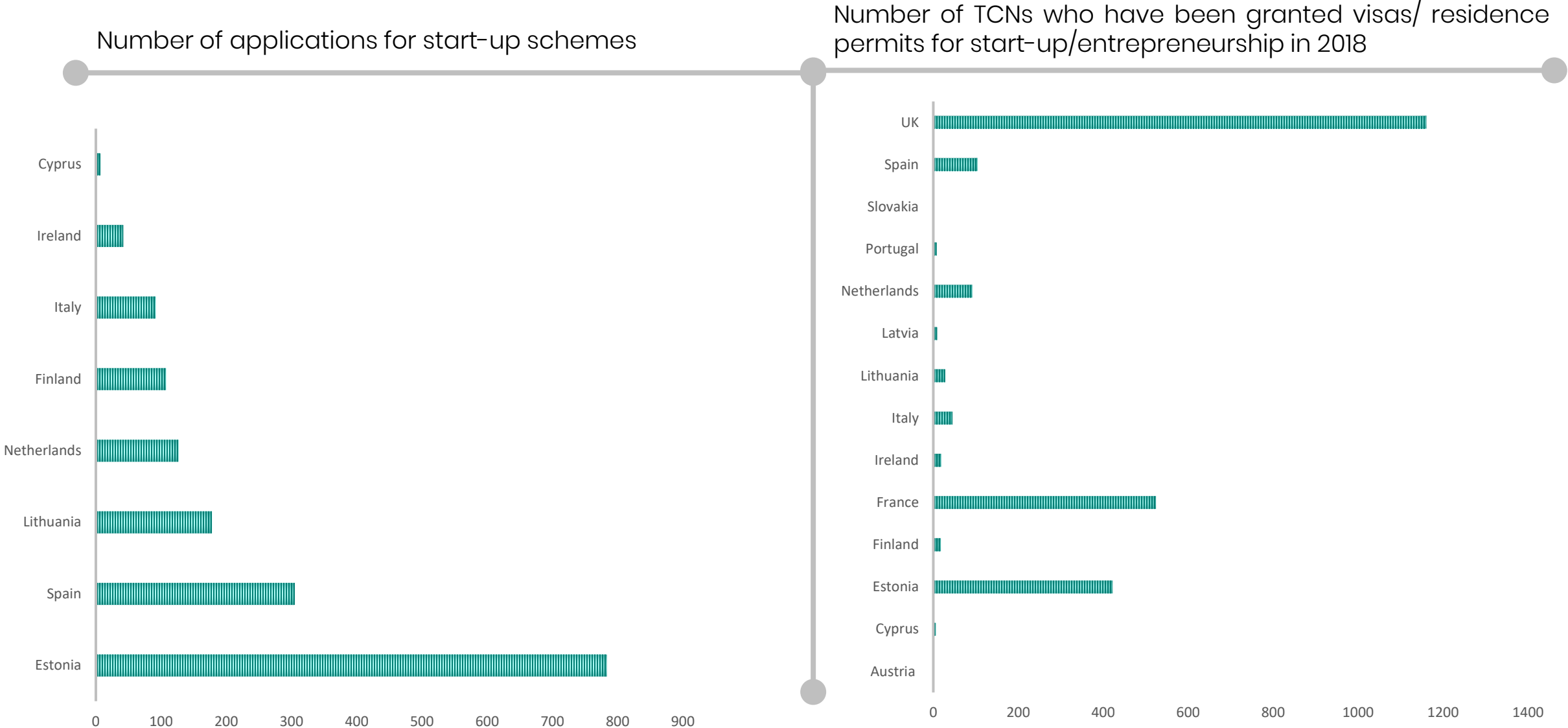
The below non-EU countries offer either a start up visa or a residence permit for entrepreneurs

Country	Name of Programme
Argentina	IncuBAté
Australia	Business Innovation and Investment Visas
Brazil	Start-Up Brazil
Canada	Start-up Visa
Canada	Entrepreneur Program Stream 1
Canada	Entrepreneur Program Stream 2
Chile	Startup Chile
Japan	Japan Startup Visa
Malaysia	MaGIC
Mexico	Startup Mexico
New Zealand	Entrepreneur Work Visa



# **Statistics on the issuance of visas in Europe**

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



# **Proposition of a framework for Malta**

# Malta: a European hub for foreign investment

Recent years have seen a proliferation of admission schemes for ‘start-up’ and ‘innovative entrepreneurs’, both within the EU and globally. Improving the EU’s attractiveness for foreign direct investment forms part of the objective of upgrading the single market. Although the primary rationale behind this is rooted in economic policy, attracting start-ups is also in line with EU migration policy objectives, such as tackling demographic change and satisfying labour market needs.

Malta is well positioned in terms of foreign direct investment appeal, fueled by a welcoming and progressive regulatory environment. The main contributors to total FDI flows were financial and insurance activities with a contribution of 97%. Other sectors for investment are electronics, pharmaceuticals and communications. Malta is a natural hub for companies seeking to do business in Southern Europe and North Africa. Malta possess one of the strongest investment networks in Europe, with our economy experiencing an unprecedented growth, despite the slowdown other European economies were experiencing. The introduction of a start up visa will serve as a policy instrument to attract entrepreneurial talent from all over the world.

## Flow of foreign direct investment into the country

Foreign Direct Investment	2017	2018	2019
FDI inward flow (million EUR)	2,895	3,419	3,036
FDI Stock (million EUR)	174,629	175,089	174,833
Number of Greenfield investments	10	21	18
Value of Greenfield investments* (million EUR)	635	177	262

*\*Green Field Investments Are a Form of Foreign Direct Investment Where a Parent Company Starts a New Venture in a Foreign Country By Constructing New Operational Facilities From the Ground Up.*

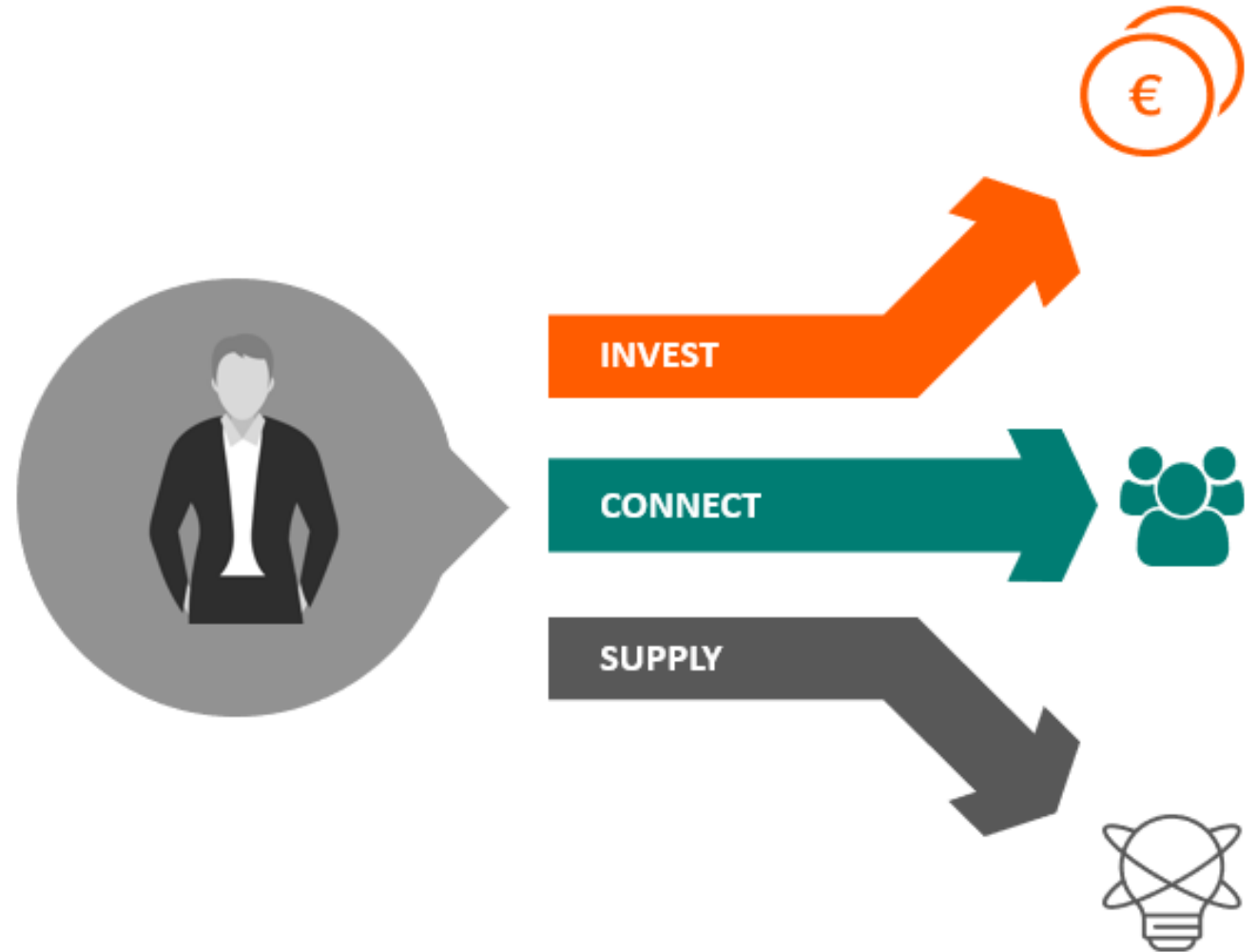
# How the introduction of certified business incubators can help start-ups

The concept of certified start-up incubators would be an interesting avenue to explore, where private companies can contribute to the development of a strong innovation ecosystem.

Such contributors would be limited companies that support the creation and the development of innovative start ups, by providing physical incubation services, which may include:

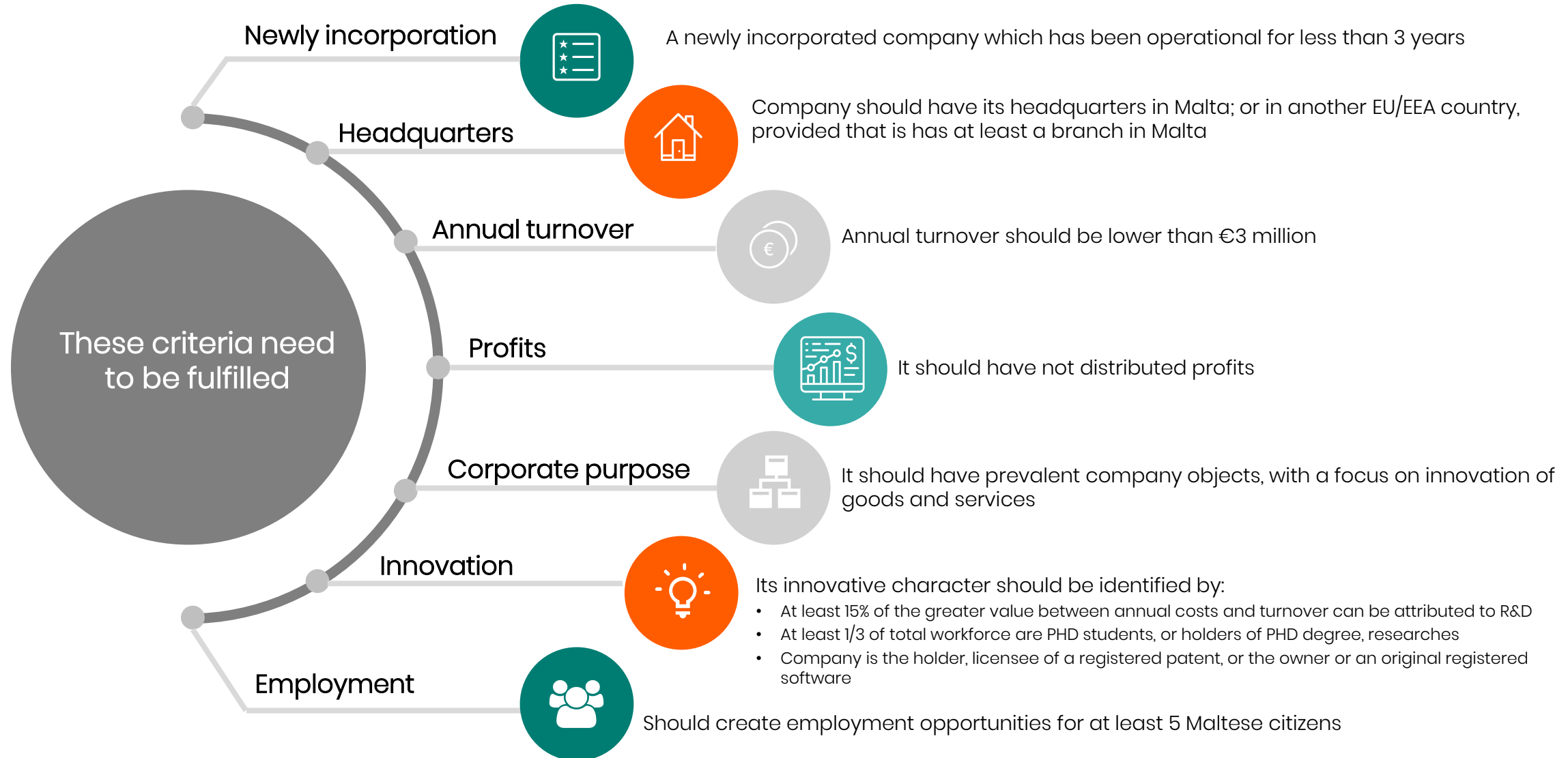
- ❑ Availability of adequate infrastructure and equipment
- ❑ Experienced technical and managerial staff
- ❑ Existence of formal collaborations with universities, research centres, public institutions and financial partners

It would be critical for start-up incubators to have a solid track record in supporting the creation and growth of innovative start ups.



# What type of company would qualify as a start up?

It is worth noticing that this definition is sector-neutral: a company that meets the requirements set out below may operate in any economic sector and still be registered as an innovative startup.



# How would the start up visa work?

1

## Application submission

Non-EU citizens would send the required documents to the designation Government agency. Documents may be filed online.

2

## Evaluation

As soon as preliminary checks are successfully completed, documentation is evaluation by the body responsible, Within 30 days of submission, applicant must be informed of the outcome of the evaluation.

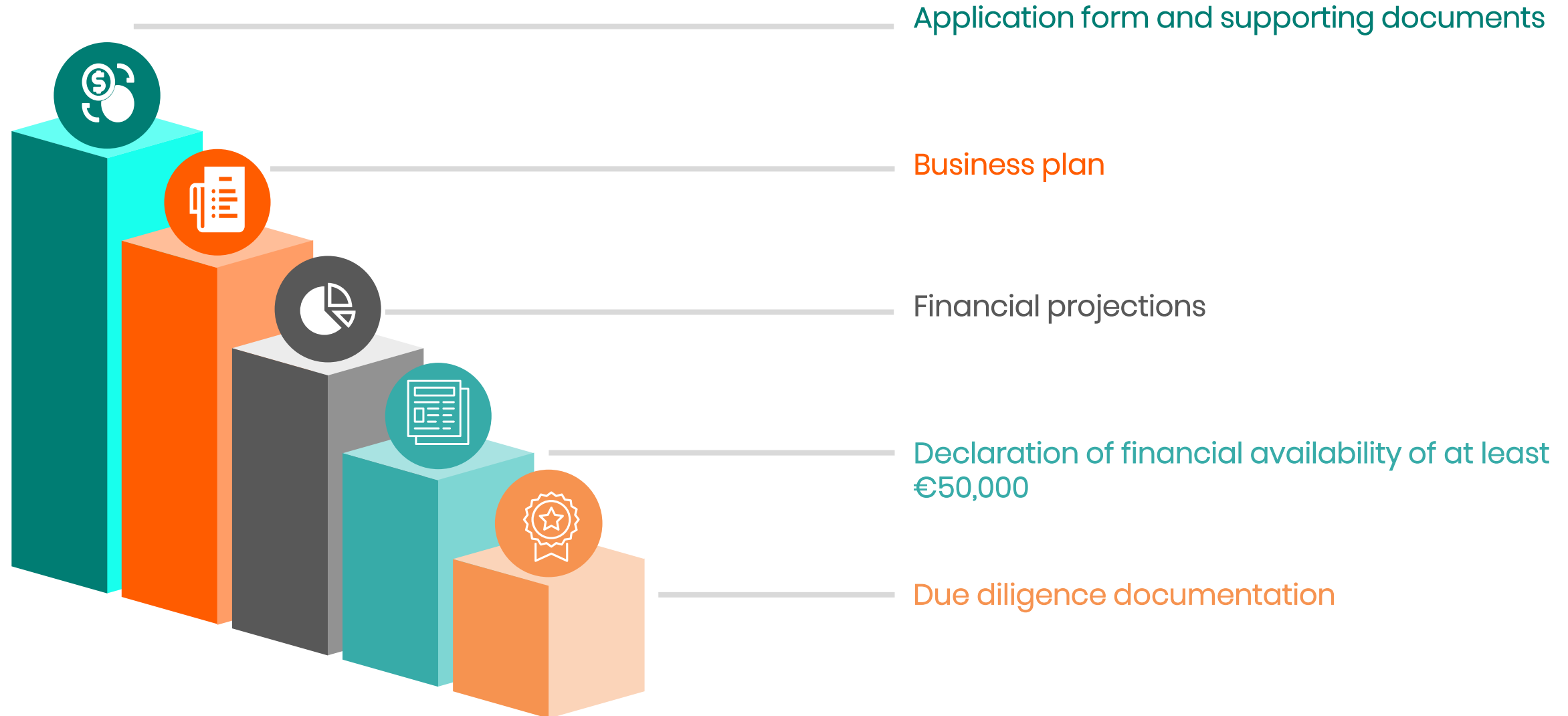
3

## Visa issuing

As soon as preliminary checks are successfully completed, documentation is evaluation by the body responsible, Within 30 days of submission, applicant must be informed of the outcome of the evaluation.

# Step 1: Application submission

All applications are made up of the below mandatory documents:



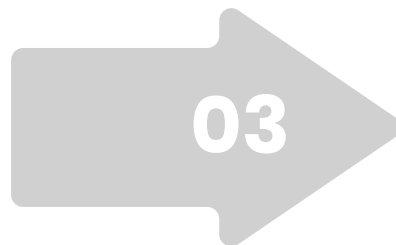
## Step 2: Evaluation



Verifying the fulfilment of the legal requirements for the establishment of an innovative start up



Objectively assessing the business potential of the projects submitted by the applicants



Receiving and assessing the declarations of undertaking by certified incubators, if applicable

## Step 3: Visa issuing

As a general rule, the applicant may collect their visa only in a consular office located in the country of which they are a national. Non-EU citizens who have permanent and continuous residence in another state, including EU member states, have the right to apply for the visa in that country. The same does not apply in cases of a temporary stay.

### Innovative procedure for the issuance of start up visa



Procedure can be completed entirely online



All application forms and guidelines will be available in English

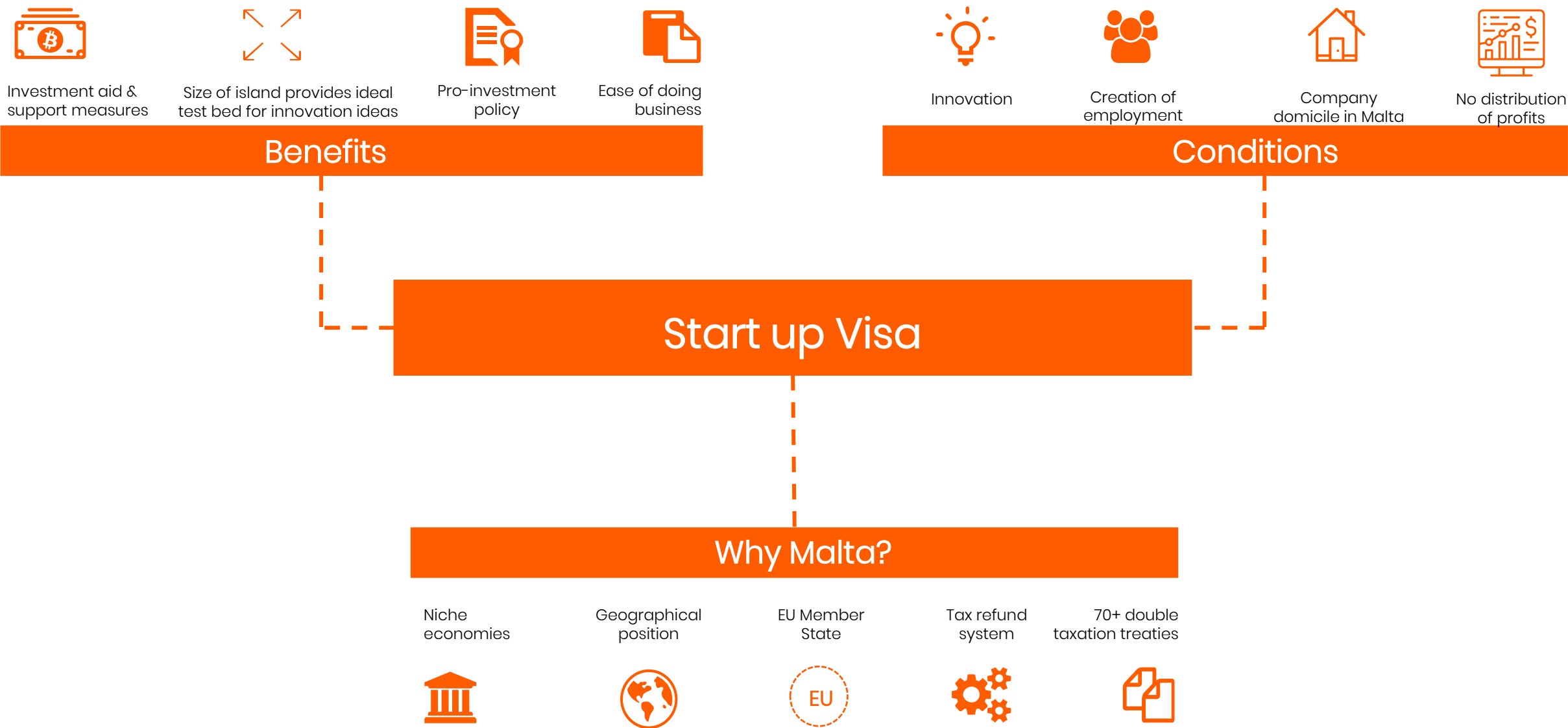


Process will be fully centralised, with one administration to handle all communication and act as single point of contact for applicants

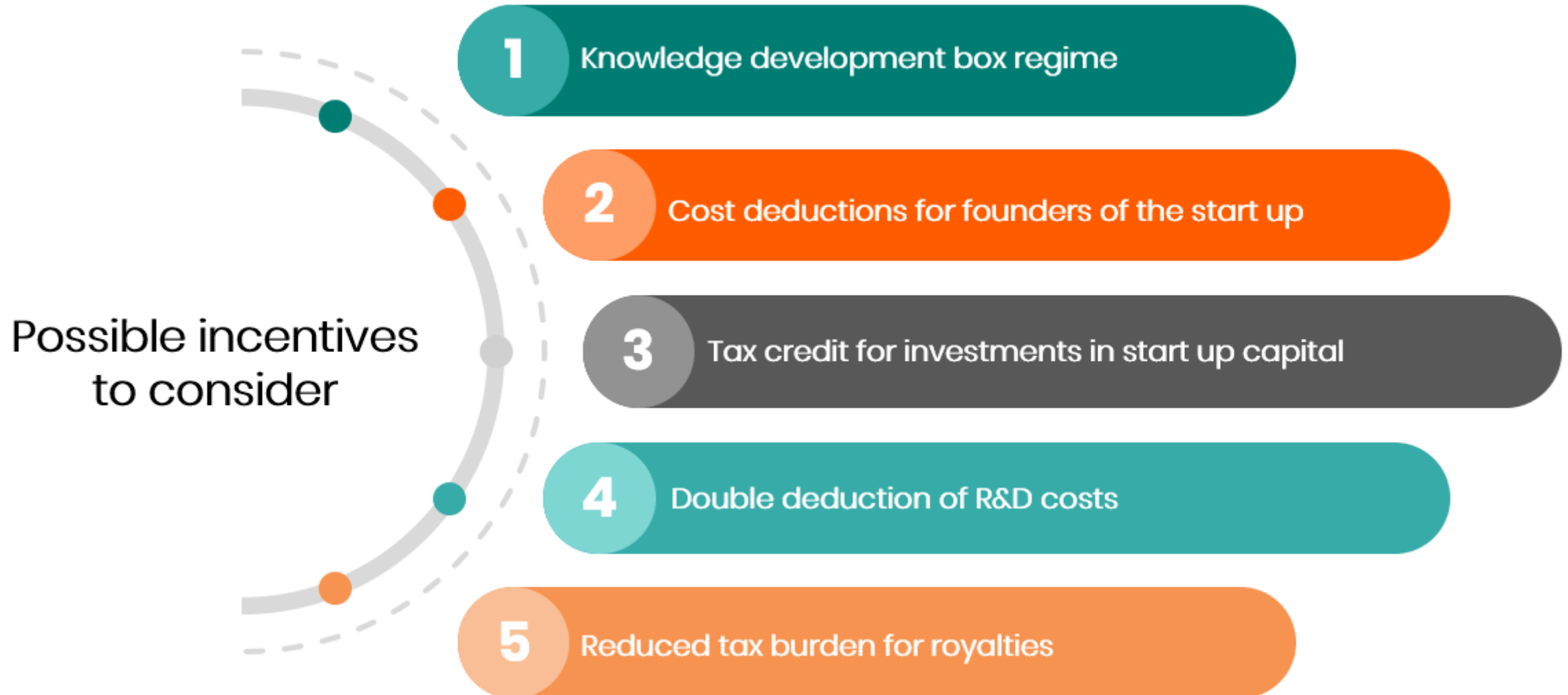


Procedure may be completed expeditiously, with visas granted within 30 days of application

# Review of proposed start up visa for Malta



# Tax incentives aimed at attracting start-ups to Malta



# Alternate routes for consideration for the acquisition of a start-up visa

This proposal covers one idea proposition for third country nationals to apply for a start-up visa. There are other routes one may consider, such as:



Points based system where applicants must score a minimum amount of points, against a set of criteria developed by Government in order to be eligible to qualify for the start-up visa



Applicants must be either endorsed by a higher education institution or by a business organisation with a proven history of supporting Maltese entrepreneurs



Seed will be able to provide a detail proposal outlining how the envisaged process of obtaining a start-up visa would work in either of the 3 cases.

## About Seed

Seed is a boutique advisory firm, based in Malta, focused on helping clients achieve growth and improved performance through tangible results in several different areas. Our expertise in tax and corporate structuring, strategy, applied economics and regulatory processes delivers sustained value to our clients

We set up Seed wanting to do things differently. Powered by tech, our business attracts the best people, whilst creating meaningful work. Our principles and vision define us. We care about making a difference; for our employees, for our clients and the wider community. Our clients enjoy objective advice, clearly expressed. With our help, they make better decisions and get better results. No matter what sector, size of business or scope of work, we bring together rigour, knowledge and experience.

Seed is big enough to deliver yet small enough to care.

# Seed

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