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

Common Template for EMN Study 2019

Final version: 4th March 2019

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

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

1 BACKGROUND AND RATIONALE FOR THE STUDY

According to the European Commission (2016b), to remain a globally competitive player, the EU needs to find better ways to attract migrant innovative entrepreneurs and support migrant entrepreneurs already present in the EU. Attracting and retaining start-ups’ founders and employees from third countries is part of the objective of upgrading the single market (European Commission, 2015). Although the primary rationale is routed in economic policy perspective, attracting start-ups is also in line with the broader objectives of the EU migration policy, such as tackling demographic change and satisfying labour market needs.

The notions of ‘start-up’ and ‘innovative entrepreneurship’ relate to an environment where individuals are motivated to innovate, create new products or services and take risks. Entrepreneurship can have a beneficial impact on the economy, through job creation, innovation and investment. The concept of ‘innovative entrepreneurship’ is not a strictly defined one and a level of complexity derives from the concept’s linkage, on the one hand, with other concepts such as innovation, the knowledge economy, the digital society, and on the other hand with similar but nuanced notions - self-employment, new business formation and SMEs (European Commission, 2016a).

This Study specifically focuses on ‘start-ups’ and ‘innovative entrepreneurship’. This is distinguished from general self-employment which falls outside of scope of the Study. However, start-ups and innovative entrepreneurs can be admitted on different types of visas and/or residence permits – including special permits where such exist in Member States, general permits for self-employment, investors or highly skilled. Thus, although the focus of the study is start-up and innovative entrepreneurs, the Study explores all migratory channels (e.g. residence permits and visas) through which start-up and innovative entrepreneurs can be admitted.

Although definitions in the literature vary, an innovative entrepreneur is someone who creates a (radically) new product/service or provides a new solution through a viable business model to meet a marketplace need or problem. ‘Innovation’ can be defined in this context as new expertise that an entrepreneur brings to the market whether through introducing a new or improved product, a new method of production, a new market, a new source of supply or the reorganisation of management.

In recent years we have seen a proliferation of start-up schemes across EU Member States - as well as globally - offering various incentives for start-up entrepreneurs from third countries. Start-up admission schemes aim at developing entrepreneurial ecosystems, fuelling economic growth and innovation, and making the country more competitive in the globalised knowledge economy. However, other EU countries (especially those that have entrepreneurial hubs) that do not have special scheme in place are attracting entrepreneurs via other entry pathways. EU economies, such as Germany and Sweden, have been attracting innovative entrepreneurs without having a specific scheme in place. The United States example (where no special visa exists, however attraction is high) shows that the existence of a tailor-made legal
framework for start-ups and innovative entrepreneurs is only one of several factors that are important in attracting start-ups and innovative entrepreneurs and that entrepreneurial culture and supportive environment may play a more decisive role. The main focus of the Study is to identify the factors and prerequisite for attracting and retaining start-ups and innovative entrepreneurs from third countries as well as examining the different admission pathways available, including specific start-up schemes.

The Study also explores the role of cities and regions and particular locations as entrepreneurial hubs in attracting start-up founders and employees from third countries. Major European cities, such as Berlin, Stockholm and Madrid attract entrepreneurs from all over the world due to their fast-growing start-up scene and a successful infrastructure for financing and funding. Certain regions and locations are hubs for particular industries and sectors. For example, in the Netherlands, there are a number of established innovation and technology hubs and clusters, including, inter alia, Rotterdam, Delft and Hague for clean-tech, aerospace and cybersecurity; Amsterdam for the creative and graphic industry; Twente and Leiden for bio science, med-tech, nanotechnology and pharma (European Commission, 2016a).

With regard to those Member States which have introduced specific start-up schemes, having an innovative idea is a common condition of admission (EMN, 2018). Despite some similarities, these schemes vary significantly across Europe. For instance, whilst ‘innovativeness’ is a key criterion everywhere, Member States define ‘innovation’ in very different ways (EMN, 2018). This has been further complicated by the fact that alongside specific start-up schemes, a number of Member States are considering introducing other innovative pathways for self-employed migrants and entrepreneurs, who may contribute to innovation and economic growth (e.g. visas meant for freelancers, digital nomads and so on). This is why this Study does not focus solely on ‘start-up visas and residence permits’ as such, but all migratory pathways available to start-ups and innovative entrepreneurs.

Due to varying terminology across the examined countries, the terms ‘visas’ and ‘residence permits’ mean allowing entry and stay for a certain period of time for setting up a business/start-up. The term ‘scheme’ can be used in a broader context with regard to the admission under a particular visa/residence permit and any additional benefits it may provide.

While the EMN inform on attracting and retaining start-up founders (2018) offered some basic insights into the topic, the measures and activities in place are changing rapidly and there is currently no comprehensive EU-wide overview of migratory pathways for start-ups and innovative entrepreneurs. Hence, it would be useful to explore it in-depth and offer a platform for Member States to share their experiences and learn from each other. The ability for third-country nationals to invest across the single market and for start-up to scale up across the EU is an obvious advantage that national policies cannot offer on their own. This would also make Europe a more attractive destination for innovators from outside the EU.

2 STUDY AIMS AND OBJECTIVES

The overall aim of this Study is to provide an overview of migratory pathways that are available for start-ups and other innovative entrepreneurs in the EU to stimulate economic growth, innovation and raise global economic competitiveness.

More specifically, the Study aims to:

- Describe the process and requirements for obtaining a start-up visa/residence permit or other type of residence permit/visa for innovative entrepreneurs;
- Examine the incentives in place in EU Member States and Norway to attract and retain third-country national start-up founders/employees or other innovative entrepreneurs;
- Provide a statistical overview of the number of third-country national start-up founders/employees present in EU Member States and Norway from 2014-2018, their origin and recognition rates;

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


3 Digital nomads are a type of people who use telecommunications technologies to earn a living and, more generally, conduct their life in a nomadic manner. Such workers often work remotely from foreign countries, coffee shops, public libraries, co-working spaces, or recreational vehicles.
Outline the challenges and good practices of EU Member States and Norway with regard to the attraction and retention of third-country national start-up founders/employees or other innovative entrepreneurs.

3 SCOPE OF THE STUDY

The overall focus of this Study are third-country nationals who are either start-up founders, start-up employees or are engaged in other form of innovative entrepreneurship (see definitions below and Section 1). Admission for general self-employment purposes and setting up small business which is not considered innovative falls outside of scope of the Study. Although the focus of the study is start-up and innovative entrepreneurs, the Study is not limited to start-up schemes and includes all schemes which can be used to admit start-up founders and employees and innovative entrepreneurs from third countries. The Study covers the period from 2014-2018.

4 EU LEGAL AND POLICY CONTEXT

In recent years, migrant entrepreneurs are increasingly less attracted to EU Member States than they are to other OECD countries (OECD, 2016). Currently, no EU instrument that formalises self-employed workers’ conditions of admission and rights is in place. This does not mean however that this group is totally excluded from the scope of the current EU legal framework on legal migration as the transversal Directives cover self-employed on certain aspects. While the EU has a dedicated framework for highly qualified workers, start-up founders and innovative entrepreneurs are not included in its scope.

Against this backdrop, the topic of migration schemes for start-up founders and employees from third countries has become a priority for many Member States. In addition, the Competitiveness Council has invited, in its Conclusions adopted on 27 May 2016 (9510/16), both the Commission and the interested Member States to explore whether a European start-up visa scheme would be of added value at EU level, could boost cross-border expansion of start-ups and EU’s attractiveness for innovators, while respecting national competences and including the necessary safeguards. At national level, almost half of the Member States have adopted a specific scheme to attract and retain start-up founders (EMN, 2018). In order for the EU to be competitive internationally and to avoid competition between the Member States, synergies need to be created between the different national schemes.

One of the European Commission’s goals is to encourage an environment conducive to entrepreneurship. This principle was already at the core of the Lisbon Strategy as early as 2000. Making it less bureaucratic to start-up a new business is a basic element in this context. Moreover, the European Charter for Small Enterprises, in one of its ten lines of action, called for cheaper and faster business start-ups.4

5 PRIMARY QUESTIONS TO BE ADDRESSED BY THE STUDY

The Study will aim to address the following research questions:

− What is the business environment for starting up a business in EU Members State and Norway? What are the administrative procedures/requirements to start up a business?

− To what extent is the attraction and retention of entrepreneurs and start-up founders a policy priority for Member States? What are the sectors and industries in EU Member States and Norway which are aiming to attract entrepreneurs?

− What are the main factors and prerequisites in attracting start-up founders/employees and innovative entrepreneurs from third countries?

− What migratory legal frameworks are in place in EU Member States and Norway for admission of start-ups and innovative entrepreneurs?

− What are the requirements for obtaining a start-up visa/residence permit or other type of residence permit/visa for innovative entrepreneurs?

− How many applications have been submitted on these grounds? What is the acceptance rate? From which countries do they mostly originate?

− What measures have EU Member States and Norway implemented in order to attract and retain start-up founders/employees and other innovative entrepreneurs?

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4 Available at: https://ec.europa.eu/docsroom/documents/12229/attachments/1/translations/en/renditions/native
What have been the main challenges in implementing these measures?

Which good practices are in place in EU Member States and Norway related to the attraction and retention of start-up founders/employees or other innovative entrepreneurs? Have Member States and Norway measured the success of such schemes?

6 RELEVANT SOURCES AND LITERATURE

EMN Studies and other sources


EMN AHQs

− Start-up policies for third-country nationals (part 1) – requested by EE EMN NCP on 12th June 2017;

− Start-up policies for third-country nationals (part 2) – requested by EE EMN NCP on 12th June 2017;

− Ad-Hoc Query on the impact of start-up policies for third country nationals – requested by ES EMN NCP on 15th of December 2015

Other studies and reports


7 STATISTICS TO BE COLLECTED

National level

- Number of applications submitted to the relevant authority/committee for assessment since 2014
- Number of start-ups that have been recognised by the relevant authority/committee since 2014
- Recognition rate for the applications submitted to the relevant authority/committee
- Number of applications for start-up related visas lodged each year since 2014
- Number of applications for start-up related residence permits lodged each year since 2014
- Number of positive visa applications since 2014
- Number of positive residence permit applications since 2014
- Acceptance rate for start-up related visas and residence permits lodged each year since 2014
- Main countries of origin of applicants to the relevant schemes
- Main sectors in which persons granted start-up/innovative entrepreneurship visas/permits are active
- Number of renewals of start-up visas and residence permits since 2014
- Survival rate of start-ups after 3 and 5 years of starting the company
- Success rates of start-ups (e.g. jobs created and investment generated)

8 DEFINITIONS

The following key terms are used in the Common Template:

'Accelerator programmes' see 'Incubator' below.

'Entrepreneur/business-founder': An individual who founds and runs a business, assuming all risks and rewards of the venture. Commonly seen as an innovator, a source of new ideas, goods, services and business/or procedures (Source: Investopedia5)

'Entrepreneurship': Capacity and willingness to develop, organise and manage a business venture along with any of its risks in order to make a profit (Source: BusinessDictionary6)

'Entrepreneurial culture': Refers to the social environment in which entrepreneurship is seen positively, individuals are encouraged to start and grow a business and entrepreneurial success is celebrated. Risk-taking and innovation are prized and not excessively penalised (EY G20 Entrepreneurship Barometer 20137).

'Ecosystem' (also known as a hub): environment or "ecosystem" made of private and public players, which nurture and sustain start-ups and entrepreneurs, making the action of entrepreneurs easier. For example, the existence of prior ventures, the availability of start-up financing mechanisms, a patent system and a culture tolerating failure all facilitate the creation of new firms (Source: Lexicon, The Financial Times8).

'Employee' means a worker holding an explicit or implicit employment contract, which gives them a basic remuneration that is not directly dependent upon the revenue of the unit for which they work;

'Employer' means any natural person or any legal entity, for or under the direction or supervision of whom or which the employment is undertaken;

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5 https://www.investopedia.com/terms/e/entrepreneur.asp; see also https://ec.europa.eu/epale/en/blog/innovative-entrepreneurs-why-are-they-different-others
6 http://www.businessdictionary.com/definition/entrepreneurship.html
8 http://lexicon.ft.com/Term?term=entrepreneurial%20ecosystem
‘Family members’ is a third-country national, as specified in Art. 4(1) of Directive 2003/86/EC (normally members of the nuclear family – i.e. the spouse and the minor children), who has entered the territory of the European Union for the purpose of family reunification (EMN Glossary Version 6.0)

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

‘Hub’: see ‘Entrepreneurial ecosystem’ above

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

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

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

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

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

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

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

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

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

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

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

An “Advisory Group” (AG) has been established within the context of this Study for the purpose of providing support to EMN NCPs during the development of the specifications for the Study, as well as the drafting of the Synthesis Report. In addition to COM, and the EMN Service Provider (ICF and Odysseus), the members of the AG for the Study include EMN NCPs from EE, ES, FI, FR, LT, LU, LV, PL, SE and UK. EE NCP is the chair of the Advisory Group. EMN NCPs are thus invited to send any requests for clarification or further information on the Study to the following representatives of the AG:

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

10 TIMETABLE

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

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

The template provided below outlines the information that should be included in the National Contributions of EMN NCPs to this Study. The indicative number of pages to be covered by each section is provided in the guidance note. For National Contributions, the total number of pages should not exceed 35-40 pages, including the questions and excluding the Statistical Annex. A limit of 25-30 pages will also apply to the Synthesis Report, in order to ensure that it remains concise and accessible.
Common Template of EMN Study 2018

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

National Contribution from the Netherlands

Disclaimer: The following information has been provided primarily for the purpose of contributing to a Synthesis Report for this EMN Study. The EMN NCP has provided information that is, to the best of its knowledge, up-to-date, objective and reliable within the context and confines of this study. The information may thus not provide a complete description and may not represent the entirety of the official policy of the EMN NCPs’ (Member) State.

Top-line factsheet [max. 1 page]

The top-line factsheet will serve as an overview of the National Contribution introducing the Study and drawing out key facts and figures from across all sections, with a particular emphasis on elements that will be of relevance to (national) policy-makers. Please add any innovative or visual presentations that can carry through into the synthesis report as possible infographics and visual elements.

Please provide a concise summary of the main findings of Sections 1-5:

<table>
<thead>
<tr>
<th>Introduction</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EMN Netherlands</strong>, as the Dutch national contact point for the EMN, is responsible for providing information about the migration policies in the Netherlands. In this study, EMN Nederland has examined the Dutch business climate, the Dutch legislation relating to the admission and progression of start-ups and the good practices and challenges playing a part in this area. The aim of this study is to identify factors that (i) contribute to the attraction and retention of start-ups and innovative entrepreneurs and (ii) map the several admission schemes for these groups.</td>
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</tr>
</tbody>
</table>

**General: the Dutch business climate**

Since 2014 there have been evaluations and letters to the Parliament about the Dutch business climate. These concerned topics such as the challenges with regard to attracting qualified employees by small and medium-sized enterprises and the accessibility of capital for start-ups and scale-ups. It is examined how the Netherlands can offer an attractive business climate for (foreign) entrepreneurs and in which areas the Netherlands can still grow. In this EMN study, it has been noted that cities and regions also play an important role in stimulating and facilitating the business climate in the Netherlands. In for example the City Deals specific partnerships are concluded between the government, cities, other businesses and social organisations. Furthermore, within the start-up and scale-up ecosystem of the Netherlands, the (regional) hubs have proved to be important. Regional hubs can consist of several local organisations, such as knowledge and educational institutions, regional development corporations and local authorities.

**Attracting start-ups from third countries**

Since 2014 there have been specific strategies to attract and facilitate ambitious entrepreneurs and start-up entrepreneurs. For instance, the start-up residence permit was introduced in 2015. It proved earlier that starting entrepreneurs (start-up founders) were often not eligible for the general self-employment scheme. The start-up scheme eases this and makes the Netherlands better accessible. In addition, there are many initiatives at executive level, for example the establishment of the StartUp Information Desk, Startupbox and the Netherlands Point of Entry. The Netherlands is active in disseminating information about the Netherlands as a (potential) start-up destination (both in and outside the Netherlands) for example by presence at foreign trade fairs. Furthermore, a lot of information and education are made available in English.

Challenges faced in attracting start-ups and innovative entrepreneurs from third countries include among others the competition from other countries as start-up destinations and aspects of the conditions for establishing businesses in the Netherlands (for example the low availability of bilingual primary education in the Netherlands). Aside from that, there still appears that some benefit can be achieved on the branding of the Dutch business climate.

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9 EMN Netherlands has examined sources from 2014, as this is the timeframe for this EMN Study.
Admission scheme for start-ups
The Immigration and Naturalisation Service (IND) and the Netherlands Enterprise Agency (RVO) are the parties responsible for the decision on admission applications of start-ups. A characteristic of the Dutch residence permit for start-ups is that in the first year, the start-up needs to be coached by a so called facilitator. This is a coaching market party that is checked beforehand by the government. Facilitators know the market and select start-ups where (sufficient) potential is seen to invest in and run a risk for them. Another characteristic of the Dutch admission scheme is that the assessment of the start-up forms an integral part of the application for the residence permit of the start-up founder. There is no specific legislation (yet) relating to the admission of employees of the start-ups, only as far as the directors of the start-up are concerned.

Retention of start-ups
To stimulate the retention of start-ups start-up founders in the Netherlands can use an eased progression scheme to the self-employment scheme. The decision on possible progression of the start-up to the self-employment scheme is based on the judgement of the market party (the facilitator), and this is seen as a good practice by the parties involved in this study. According to them, the facilitator is well equipped to judge whether the start-up has a good chance of succeeding in the market of the product or service and the facilitator can help the start-up to build a network.

(Policy) developments in the Netherlands
There are three relevant developments in the Netherlands that play a part when it comes to policy for start-ups and innovative entrepreneurs. First of all, an adjustment of the point system for self-employed persons is being prepared, in which a good connection to the leading sectors gives a better chance of admission. In addition, it is being examined whether the partner of the foreign self-employed person can be given more freedom on the Dutch labour market. Finally it is being examined whether it is possible to allow key personnel of foreign start-ups to come along with the founder of the foreign start-up.
Migratory pathways for start-ups and innovative entrepreneurs in the EU

New permit for Start-ups

1. Start a business in the Netherlands
   The Netherlands has much to offer foreign entrepreneurs and investors. A new regulation makes it possible for ambitious entrepreneurs to apply for a temporary residence permit for the Netherlands.

2. Be well-equipped
   The following conditions apply for setting up your business in the Netherlands:
   - Sufficient money to live in the Netherlands
   - An innovative product or service
   - A step-by-step plan to develop your idea into a business
   - Registration with the Dutch Chamber of Commerce (KvK)

3. Submit your application
   To apply for a residence permit, you need to be sponsored by an experienced facilitator. Submit your application at the Immigration and Naturalisation Service (IND). The costs to process your application are €307.

4. Complete your business plan
   Develop your innovative idea into a business plan within one year. You can now apply for a residence permit for entrepreneurs.

Be successful
   Welcome to one of the five most competitive economies in the world. Expand your business, create new jobs and contribute to economic growth in the Netherlands.
General information

In view of the amount of information in this template, a choice was made to add general information to this template in advance in a number of boxes. Consequently, a certain box will be referred to in a number of questions. This is intended to make the template clearer.

Box 1: The stakeholders involved in this study

For this study, several stakeholders have been involved that play a role in the themes concerning start-ups. The parties involved are mainly governmental organizations. Experts acted as representatives of these parties. In addition, T. de Lange, LLD (university lecturer in Administrative and Migration Law at the University of Amsterdam) contributed to this study from an academic point of view. During interviews, the experts identified good practices and challenges of the start-up policy for third-country nationals. The (government) parties concerned are:

- Ministry of Economic Affairs and Climate Policy (EZK)
- Ministry of Justice and Security (JenV)
- Netherlands Enterprise Agency (RVO)
- Immigration and Naturalisation Service (IND)
- Chamber of Commerce (KVK)
- StartupDelta
- StartupAmsterdam/IN Amsterdam (Economic Affairs Department, Municipality of Amsterdam)

Ministry of Economic Affairs and Climate Policy (EZK)
The Ministry of Economic Affairs and Climate Policy is responsible for fostering a balanced economic growth, for ordering economic life, for climate and energy and for technological innovation.10 The Ministry of Economic Affairs and Climate Policy is an important party in the setting up and retention of start-ups in the Netherlands. The government strives to ensure that the Netherlands remains competitive and innovative. It is essential to have a flourishing start-up and scale-up ecosystem. The State Secretary of Economic Affairs and Climate Policy announced on 16 April 2018 that the Ministry is releasing funds for investments in innovative starters and start-ups.11

Ministry of Justice and Security (JenV)
The Ministry of Justice and Security is the ministry responsible for the policy development to the admission policy regarding start-ups. The Ministry of Justice and Security is also responsible for the Comprehensive Agenda on Migration, in which start-ups are explicitly mentioned.

Immigration and Naturalisation Service (IND)
The IND is a division of the Ministry Justice and Security and the organisation responsible for residence permit applications by third-country nationals who want to reside in the Netherlands or who want to become Dutch nationals.12 The IND has executive tasks in the entry, admission and supervision of and enforcement in relation to third-country nationals. In this matter, the IND plays a role in the admission of migrants who want to establish a start-up in the Netherlands. The IND handles all applications for residence permits (in relation to start-ups) and assesses whether the entrepreneur meets the residence conditions set.

Netherlands Enterprise Agency (RVO)
The task of the Netherlands Enterprise Agency is to stimulate entrepreneurs in sustainable, agricultural, innovative and international entrepreneurship. The Netherlands Enterprise Agency is an implementing service of the Dutch Ministry of Economic Affairs and Climate Policy.13 Within the start-up policy, the Netherlands Enterprise Agency assesses whether the facilitator14 meets the conditions (see boxes 1 and 2) and the Netherlands Enterprise Agency keeps a list of facilitators that meet the conditions.

14 See box 3 on the explanation of a facilitator.
In addition, the Netherlands Enterprise Agency assesses the innovative nature of start-ups. In relation to the general residence permit for self-employed persons, the Netherlands Enterprise Agency tests whether the point system has been satisfied.

**Chamber of Commerce (KVK)**
A starting entrepreneur must be entered in the Commercial Register of the Chamber of Commerce. The entry must show that the starting entrepreneur has control in the developing enterprise. This is important in order to take decisions on the future enterprise.

**StartupDelta**
StartupDelta is a public-private interest group that works together with innovative start-up ecosystems. StartupDelta makes efforts to increase the attractiveness of the start-up ecosystem in the Netherlands. Start-ups, established businesses, knowledge institutions, financiers and local governments connect with one another via StartupDelta. The start-up policy, of which StartupDelta forms part, focuses on improving access to talent, capital, networks, knowledge and (international) markets for start-ups and scale-ups.\(^{15}\)

**StartupAmsterdam and IN Amsterdam (Economic Affairs Department, Municipality of Amsterdam)**
These parties are involved in this study because of the role of municipalities in the start-up process. StartupAmsterdam and IN Amsterdam form part of the Economic Affairs Department in the Municipality of Amsterdam.

The Economic Affairs Department of the Municipality of Amsterdam was the initiator, together with EZK, of the City Deal Warm Welcome for Talent.

StartupAmsterdam is a public/private action programme from the Municipality of Amsterdam. By way of the Action Programme StartupAmsterdam, in 2014 the Amsterdam city administration expressed the joint ambition to make Amsterdam the place for start-ups in Europe. The programme was based on five pillars that respond to the needs of start-ups: (i) talent, (ii) clients, (iii) development possibilities, (iv) capital and (v) a facilitating environment. From 2019 the focus will be on further strengthening of the ecosystem for promising scale-ups. IN Amsterdam (International Newcomers Amsterdam), in cooperation with the IND, offers combined government services to international newcomers.

**Box 2: The Dutch start-up system**

In the Netherlands, start-up founders can reside in the Netherlands on the basis of a residence permit specifically for start-ups or the residence permit for self-employed persons. These two schemes are explained briefly below.

- **Start-up scheme:** The start-up-scheme in the Netherlands entered into effect on 1 January 2015. Based on this scheme, third-country nationals can obtain a residence permit to set up an innovative business in the Netherlands. This residence permit is valid for one year. A condition for the issue of the permit is that the third-country national must be coached in this by a reliable coach (facilitator) in the Netherlands. The entrepreneur is coached and supported in the Netherlands so that the start-up can develop into a successful business. This legislation is laid down in the Aliens Act 2000 (Vw 2000) and the legislation based on it, namely the Aliens Decree 2000 (Vb 2000), the Aliens Regulations 2000\(^{16}\) (Vv 2000), and the Aliens Act Implementation Guidelines (Vc). The specific scheme is mentioned in Section 3.30, subsection 6 of the Aliens Decree.\(^ {17}\)

- **Self-employment scheme:** Besides the start-up scheme, a third-country national who wants to set up an innovative enterprise can also gain entry to the Netherlands by way of the self-employment scheme. A ‘point system’ applies to third-country nationals who want to settle in the Netherlands as self-employed persons. If enough points are obtained in the different categories, and the other conditions are met, a residence permit is issued. The entrepreneur can obtain points in the following categories: personal experience (training, entrepreneurship, work experience), the business plan (market analysis, product/service, price, organisation, financing) and the added value for the Netherlands (innovative nature, job creation, investments).\(^ {18}\)

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16 See especially Section 3.20b Aliens Regulations (Vv) 2000, and Annex 8b VV 2000.

17 See especially Section 3.30 of the Aliens Decree (VB) 2000, subsection 6.

Box 3: Definitions used to explain answers in the Dutch template

- **Facilitators**: One of the conditions for the residence permit for start-ups is that they cooperate with a reliable supervisor/coach: a facilitator. Such cooperation must be set out in a signed contract between the starting entrepreneur and the facilitator. The facilitator offers a package tailored to the starting entrepreneur, depending on the coaching the starting entrepreneur needs. The facilitator helps for example with business operations, marketing, research and seeking investors for setting up the innovative enterprise. The party must meet a number of conditions before the party may act as a recognised facilitator. For instance, the facilitator must:
  - Have experience with coaching in innovative start-ups;
  - Be financially sustainable;
  - Not be in a situation of suspension of payment or insolvency and not have negative equity;
  - Not have an majority stake in the starting enterprise
  - Not be family of the starting entrepreneur (up to and including the third degree; child, parent, grandparent, uncle/aunt).

- **Incubator / accelerator**: Incubators and accelerators are organisations that provide substantive programmes intended to help start-ups in the development of ideas. Incubators and accelerators each have their own focus area and their own selection criteria. There are programmes for each start-up stage of an enterprise. Investors and other entrepreneurs with experience are in an incubator or accelerator network and are able to help the entrepreneur / start-up further. After selection, an initial acquaintance follows, after which a small number are admitted to the programme.

- **Key personnel**: Key personnel (in Dutch: ‘sleutelpersoneel’) means personnel essential to the start-up stage (initial years) of a start-up. The term ‘key personnel’ is used in letters to Parliament. These are personnel who are not registered as directors or officers at the Chamber of Commerce.

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

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

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

☒ Yes. Please describe briefly:
☐ No

Yes, since 2014\(^{24}\) there have been specific strategies and policy to attract and facilitate innovative entrepreneurs and start-up entrepreneurs. First a general explanation of the start-up policy in the Netherlands is given, after which two elements will be explained in more detail.

**General: start-up policy in the Netherlands**

The letter from the Minister of Economic Affairs to the House of Representatives of the Netherlands ‘Ambitious Entrepreneurship: een agenda voor starters en groeiers’ (‘Ambitious Entrepreneurship: an agenda for starters and growers’) of 2014 was the starting signal for the Dutch efforts to further improve the ecosystem for start-ups and scale-ups (successfully growing businesses). The main point of this policy agenda was the launch of StartupDelta in January 2015 with Ms. Kroes (former minister and Euro Commissioner) as special envoy.

In 2014, within the existing policy instruments, in order to foster innovation, the government took several measures to stimulate the start and continued growth of new enterprises. These measures gave a kick-off to the Dutch policy specifically aimed at start-ups. The former programme Ambitious Entrepreneurship\(^{25}\) was then prepared, aimed at (starting) entrepreneurs. In general, the Government of the Netherlands aims to help ambitious entrepreneurs and start-ups to continue growing quickly.

In 2016\(^{26}\) it was decided to continue StartupDelta in the following years, under the name StartupDelta2020. In this context, even more focus will be on scale-ups and investing in and gaining the loyalty of major parties. The fourteen main innovation regions will cooperate more intensively, so that innovations will be made more quickly and promising foreign starters and businesses will settle sooner in the Netherlands. More attention will also be paid to the possibilities to develop from start-ups into scale-ups.

In addition, it is stated in the Dutch Coalition Agreement of 2017-2021 that legislation will be modernised, so that companies can respond better with their products and services to social and technological changes. Regulatory pressure and administrative burdens will be limited, for example by expanding the current assessment of the effects of new rules on businesses (the business effects assessment) with an assessment of the practicability of legislation for small to medium-sized enterprises (the SME assessment).\(^{27}\) The aim of the SME assessment is that legislation will be more practicable for small to medium-sized enterprises.

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\(^{24}\) EMN Netherlands has looked from 2014 onwards, as the scope of the template also goes back to this time.


\(^{27}\) The intention of the SME assessment is to assess during the draft stage of legislation, together with panels of entrepreneurs, what is workable in SME practice and what is not.

The House of Representatives was informed as well in a letter to Parliament (December 2018) by State Secretary Keijzer (EZK) about the state-of-play of the policy relating to start-ups and scale-ups. In the letter the efforts of the government to allow the Netherlands to remain innovative and competitive are mentioned. The importance of start-ups and scale-ups in bringing this about is also pointed out. Attention is paid as well, for example to themes where profits can still be earned, namely; (i) the attraction of technically and digitally skilled and enterprising (good and competent) personnel; (ii) accessibility of capital (iii) fostering of the international network.

Further explanation: Ambitious Entrepreneurship Action Plan ('Actieplan Ambitieus Ondernemerschap')

The above-mentioned Ambitious Entrepreneurship Action Plan ensues from a letter to the House of Representatives. This letter contains about thirty specific proposals made by the former Minister of Economic Affairs, that are intended to make it easier for start-ups to grow faster. This is known as the Ambitious Entrepreneurship Action Plan. In the Ambitions Entrepreneurship Action Plan, on the basis of the themes mentioned below, various specific actions are explained in which the former Dutch government ensures stimulation when it comes to start-up policy. These are the following themes:

(i) access to capital: access to (risk and growth) financing; (ii) access to innovation: use of schemes; (iii) access to knowledge; (iv) entry into the Netherlands: attraction of international expertise and entrepreneurs; (v) access to the tax authorities: attractive tax preconditions for growth; (vi) access to one another: the entrepreneur’s social capital, the entrepreneur’s own skills and how he/she deploys the human capital of the enterprise; (vii) access to the world: access to international markets and customers/clients; (viii) the preconditions within which the entrepreneur operates, such as laws and regulations.

It would be too comprehensive for this template to explain all specific actions per theme. For further information, please see the Action Plan.

More detailed explanation: StartupDelta2020

The above-mentioned StartupDelta 2020 is an initiative for the Dutch start-up ecosystem. The mission of StartupDelta 2020 is to initiate, connect and upscale the main start-up and scale-up initiatives in the Netherlands. It can be gathered from the Letter to Parliament that StartupDelta 2020 will use a flexible, action-driven approach with great involvement of major parties (such as the private and public sector). StartupDelta 2020 elaborates further on StartUpDelta, which was successful according to the Dutch government. Shape will be given to the programme for 4.5 years.

Q1b. Is fostering start-ups and innovative entrepreneurs in general a national policy priority?

Please note that this question refers to your (Member) State’s general start-up/entrepreneurship policy and is not specific to TCNs.

☐ Yes. Please describe briefly:

☐ No

Yes, the facilitation of start-ups and innovative entrepreneurs is a national policy priority in the Netherlands. That this is a policy priority can be derived from the fact that (i) measures have been taken to facilitate start-ups, such as the introduction of the start-up scheme and various actions under the Ambitious Entrepreneurship Action Plan (see question Q1a); (ii) the House of Representatives is regularly informed of the state of affairs and the measures taken; (iii) the importance of start-ups and scale-ups for the Netherlands is mentioned in letters to Parliament and the Coalition Agreement.

30 For a comprehensive elaboration of the themes and extensive actions, see the Ambitious Entrepreneurs Action Plan, p. 9.
The fact that it is a national policy priority can be derived from several policy documents indicating this. An example is the Ambitious Entrepreneurship Action Plan, in which the former government gave opportunities to starters and entrepreneurs with growth ambitions (including start-ups). The present government is also making further efforts for start-ups, as evident from the Coalition Agreement ‘Vertrouwen in de Toekomst’ (‘Trust in the Future’) from 2017. It is stated in the Agreement that start-ups and public-private cooperation with small and medium-sized enterprises will be stimulated. It is evident as well that the government aims to give more opportunities to founders of start-ups and enhance the innovative strength of the Netherlands. For instance it is stated in the Coalition Agreement that entrepreneurs are of inestimable value for the Netherlands. Start-ups and scale-ups are viewed as an important element in strengthening the Dutch position as an innovative leader. For example the Netherlands invests in, among other things, Research & Development (R&D), in the development of key technologies and in translating these technologies into innovative services and products. According to the Dutch government, as stated in the Coalition Agreement, start-ups play a major role especially in the later stage of the innovation process, namely in bringing innovations onto the market. The scalability of these products and services, combined with the potential and ambition to grow, ensure that they are relatively quickly able to serve international markets. It is clear that these businesses are important for economic growth and employment. In the Coalition Agreement, priority is given particularly to: (i) investments in research and innovation in order to find the best solutions for digitisation and globalisation, (ii) fostering a good business establishment climate and (iii) making the financial investment climate as attractive as possible. In addition, the various Letters to Parliament, and Parliamentary Questions, on the subject indicate the priority the Netherlands gives to the start-up policy.

Q2. Does your (Member) State have (a) a legal definition (e.g. provided in legislation or soft law) or (b) a working definition (e.g. in policy documents, strategies or internal definitions used by relevant institutions) of a ‘start-up’ and/or ‘innovative entrepreneur’?

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

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

☒ No

No, the Netherlands does not have one national, uniform or working definition of ‘start-ups’ or ‘innovative entrepreneur’ that is used in policy reports or by government institutions.

Explanation

There is no unambiguous legal definition of start-ups because the definition can vary per law/regulation. For example, among other laws/regulations, there is the Aliens Act (Vw), the Seed Capital Scheme, Guarantee SME Loans (BMBK), the Research and Development (Promotion) Act (WBSO), and the Early Stage Financing Scheme (VFF). In addition, there are many subsidy schemes, financing schemes and tax laws that use different definitions of startups.


37 Letter to Parliament ‘Stand van zaken: Start-up and scale-up policy’ of 21 December 2018 and Policy-related response to the report by the Research and Documentation Centre (WODC) ‘Aantrekkelijkheid van Nederland voor kennismigranten’ (‘Attractiveness of the Netherlands to highly skilled migrants’) of 15 February 2019.

38 Answers to Parliamentary Questions (Answers to Parliamentary Questions) “questions about ‘orange carpet’ initiatives and barriers in relation to the attraction of start-ups and scale-ups to the Netherlands” (26 March 2019), pp. 5-6.
It is evident from interviews that no unambiguous *working definition* is used. Experts of the Netherlands Enterprise Agency and the Ministry of Economic Affairs and Climate Policy for instance state that they work with different definitions. These can be EU definitions as well as other definitions. The following is also stated on the website of the Chamber of Commerce (KVK): “*A definition of startups is difficult to give*”. Nevertheless, the Chamber of Commerce does indeed give a definition of a startup, but this is not a definition that is used at national level. The definition reads: “*concisely stated, a start-up is a company with an innovative idea in which a scalable and reproducible product or service is made, produced by using new technology. Scalable and reproducible means that the product is made once and can constantly be sold again. It is easier and cheaper not to make a different product for each customer.*”

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

In the Netherlands a number of conditions apply to starting up a business (and therefore also to start-ups). These are the following conditions:

- The entrepreneur must choose a legal form (for example a Sole Proprietorship, Commercial Partnership (vof), Partnership or Limited Partnership) for his/her business in order to officially start a business.
- The entrepreneur must meet legal requirements that apply in his/her specific situation. It may be the case that professional requirements are set for the profession to be practised. In addition, it may be necessary in some sectors to have a sector-specific permit. Requirements can also be set for business space or for example an application must be submitted for an environmental permit.
- The entrepreneur must register the business with the Chamber of Commerce. A company is a company only if it is registered with the Chamber of Commerce. The Chamber of Commerce forwards the information to the Tax and Customs Administration. This runs by way of a digital link.
- A company must organise records for its business that provide insight into the company’s financial position. A company is legally required to keep records and save them. The records must also meet certain requirements and they form the basis of the tax returns.

**3b.** What is the **process** for setting up a new business in your (Member) State, from the initial application to the official registration?

In the Netherlands the process for setting up a new business runs as follows:

A condition for starting up a business (see question Q3a) is that the entrepreneur must register his/her business with the Chamber of Commerce. An appointment for this can be made online. Before the entrepreneur drops by to make the registration official, there are a few matters the entrepreneur must complete:

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42 Other rules apply to third-country entrepreneurs.

43 The legal form is the form of a company or organisation in legal terms.

44 For more information on permits per sector, see: [https://ondernemersplein.kvk.nl/wetten-en-regels/](https://ondernemersplein.kvk.nl/wetten-en-regels/). Consulted on 30 April 2019.

45 KVK stands for Chamber of Commerce (Kamer van Koophandel). The KVK registers businesses, legal entities and other organisations in the Netherlands. The KVK also helps entrepreneurs, for example with the start or ending of a business or questions about laws and regulations.
1. The entrepreneur must choose the right legal form, trade name and company description.
2. The entrepreneur must fill in the online registration form as completely as possible.
3. The entrepreneur must take along a valid proof of identity when dropping by the Chamber of Commerce to register his/her business, possibly supplemented by necessary contracts, such as a lease agreement, Commercial Partnership (VOF) contract, Franchise contract. With that the registration is completed.
4. After registration the entrepreneur will immediately receive his or her Chamber of Commerce number. Depending on the legal form chosen, the entrepreneur will receive his/her VAT number immediately or later by post. An entrepreneur of a private limited company (BV) must apply to the Tax and Customs Administration for his/her VAT (BTW) number him/herself.

**Other steps**
The entrepreneur must set up an accounting administration. Entrepreneurs are legally required to keep records. The tax authorities set requirements for these records. The basic information of the records must be retained for at least 7 years. From the time the entrepreneur is registered, he/she must file VAT returns.

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

(a) There is no statutory (legal) time limit in the Netherlands in which the maximum timeframe for setting up a business is declared.

(b) According to an expert from Kroes Advocaten, a business can be set up quickly in practice as a person only needs a registration in the Commercial Register of the Chamber of Commerce. According to an expert from the Chamber of Commerce, exactly how long this takes in practice depends on the legal form chosen for the business. For a sole proprietorship, for example, registration is usually arranged within 8 working days. For setting up a private limited company, for example a notarial deed is needed; this can take time. An expert from the Chamber of Commerce has stated that this timeframe is very diverse, and can last between 48 hours and several weeks.

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

The basic registration of a business in the database in the Netherlands costs a €50 one-off registration fee. If the entrepreneur wants a paper extract of the registration, this costs €15.

In addition to these costs, there are often different costs as well ('other costs'), partly depending on the legal form chosen. A legal entity, such as a private limited company or a foundation, can for example only be founded via a civil-law notary. The latter draws up an instrument of incorporation together with the entrepreneur, after which the civil-law notary arranges the Chamber of Commerce registration. The costs range from €200 to €1000.

**Q3e. Have there been any evaluations or public debates on the business environment in your (Member) State? – i.e. have any administrative barriers been identified on how easy or difficult (burdensome) is to set up a business in your (Member) State? What are the main conclusions? Please explain, providing evidence, if available:**

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47 The Commercial Register of the Chamber of Commerce is the database in which all businesses and legal entities are listed. A trading registration concerns the registration in this register.

48 Internal source of the Chamber of Commerce.
Yes, in the Netherlands there have been evaluations of, and public debates over, the Dutch business climate since 2014.\textsuperscript{50}

1. Evaluations

Letter to Parliament about the starting position of start-ups and scale-ups

In the latest letter to Parliament about start-ups and scale-ups the Genome rankings are used for evaluation purposes and as an indicator of the Dutch business environment for start-ups and scale-ups compared to other countries in the world. Conclusions have been drawn from this about the aspects where profits can still be earned for the Netherlands. In addition, the letter to Parliament deals with the measures taken in relation to start-ups and scale-ups. Major bottlenecks in the continued growth of start-ups and scale-ups include:

(i) It is difficult for Dutch start-ups to attract technical talent. This bottleneck also applies to SMEs.

(ii) The accessibility of capital is an impediment for start-ups. Despite the increased supply of risk capital due to various interventions by the government, the capital invested per start-up is relatively low in the Netherlands. The Netherlands remains behind mainly as far as investments in the early stage are concerned, but the later financing rounds also remain an area for attention.

Report on Small and Medium-sized Enterprises (SME, MKB in Dutch)

The open platform called Staat van het MKB provides information on small and medium-sized enterprises. Each year, an annual report is published in which the state of SMEs is evaluated. In addition, a look ahead is taken at possible opportunities and developments. In the annual report of 2018 it is stated inter alia that SMEs have made a positive contribution to the business environment in the Netherlands, among other things through the rise in job growth in 2017. The demand for qualified personnel is nevertheless increasing in the SME environment. The number of businesses stating that their growth and development is being impeded by the shortage of available personnel is increasing. In addition, digitisation is expected to cut 17 per cent of the jobs and result in just as many new, different jobs. This requires large-scale extra training or a different deployment of people and resources.

2. Public debates

Public debates are conducted about the business environment in the Netherlands. Two examples are given below of themes discussed in the Economic Affairs and Climate Policy Committee of the House of Representatives.

In 2018 the Economic Affairs and Climate Policy Committee debated over entrepreneurship and business financing.\textsuperscript{51} This was done as a result of the 400 responses received to an internet call by the Economic Affairs and Climate Committee of the House of Representatives. It emerged from the entries that entrepreneurs experience too much regulatory pressure and they notice little or nothing of initiatives from the government to reduce the number of rules.

On 23 November 2017, Prince Constantijn from StartupDelta, spoke to the Economic Affairs and Climate Policy Standing Committee of the House of Representatives about the importance of foreign talent for the Dutch economy. He drew attention to some recommendations from the City Deal Warm Welcome for Talent Report that are relevant to the competitive position of the Netherlands, employment and the opportunities for growth of Dutch start-ups and scale-ups.\textsuperscript{52}

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

☒ Yes. Please describe:

☐ No, there are no major entrepreneurial hubs and ecosystems.

Yes, (regional) hubs and ecosystems play an important role in the Netherlands. According to the City Deal Welcome for Talent Report, the regional hubs form one large national start-up hub in the Netherlands. It is not evident from Letters to Parliament how many hubs there are in total in the Netherlands. There are different regions that are in any case considered to be hubs. In the report

\textsuperscript{50} EMN Netherlands has examined sources from 2014, as this is the timeframe for this EMN Study.


by the Working Group City Deal Warm Welcome for Talent report, the following Dutch hubs are mentioned as examples:\textsuperscript{53};

- The Amsterdam Region (with a strong position in e.g. creative and internet start-ups);
- The Hague with The Hague Security Delta;
- Eindhoven with Brainport Development;
- Groningen (with a strong position e.g. in data services and energy).

StartupDelta for example has 8 regional hubs as partners.\textsuperscript{54} Each regional hub comprises a number of local organisations such as knowledge and educational institutions, regional development corporations and local authorities.

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

Cities and regions play a part in (i) fostering, (ii) stimulating and (iii) facilitating the entrepreneurial ecosystems in the Netherlands. Examples are the strengthening of the economic growth, innovation and quality of life of the Dutch cities\textsuperscript{55}. It is also evident, for example from the report ‘Krachtige steden, krachtige regio’s’ (Strong cities, strong regions) (2016) about cooperation among cities\textsuperscript{56} of the G32 Urban Network\textsuperscript{57} that cities work together in this network (now G40) to exchange experiences and insights. The network states in the report that cities are becoming increasingly more important for the economy. The share of the national income earned in the cities is increasing. Urban environments are breeding grounds for innovations and start-ups, according to the network. For businesses and entrepreneurs, the city is interesting in relation to knowledge exchange, cooperation, cluster formation and the labour market. Because of the extensive supply of facilities and diversity of experiences, cities attract consumers. Some examples follow below:

**Example: AgendaStad and the City Deals**\textsuperscript{58}

In *Agenda Stad*, cities and the central government together with social partners have committed themselves to promote growth, quality of life and innovation in the Dutch and European networks of cities. They do so by concluding *City Deals* round specific urban transition assignments. In these City Deals, ambitious partners from the cities, public and private, work together with the central government on new solutions, during which existing practices and financial models are matters of debate. According to Agenda Stad, cooperation between urban regions is crucial to this. The deals are intended to result in innovative solutions to social issues and/or contain measures to strengthen the economic ecosystem of the urban region or regions. An example of a City Deal related to start-ups is the ‘City Deal Welcome for Talent’, about which more will be explained further on in the template. The regional ecosystem is very important, certainly for the start-up period. The proximity of knowledge, people and financiers is of great importance for a good start. That is why many *physical* start-up / innovation places have also been created in the Netherlands, such as the High Tech Campus in Eindhoven, Knowledge Park in Twente or Sciences Parc Amsterdam.

\textsuperscript{53} In addition to these hubs, each region is of course at liberty to call itself a ‘hub’ and /or to present itself as such, but this row is explicitly represented in the overview.

\textsuperscript{54} The regional hubs that act as partners of StartupDelta are StartupUtrecht, StartupAmsterdam, Brainport Region Eindhoven, Founded in Groningen, Ondernemen Gelderland, Novel-T, Innovation Quarter and Brightlands.


\textsuperscript{57} Partnership among Dutch municipalities.

**Specific regional examples:**

**Amsterdam Region, StartupAmsterdam**

In March 2015 the Municipality of Amsterdam started the public-private initiative StartupAmsterdam, in cooperation with about 150 start-ups and the nationwide StartupDelta. The Municipality of Amsterdam aims to use StartupAmsterdam to acquire a strong position among European start-up ecosystems. StartupAmsterdam receives subsidy from the Municipality to improve the start-up environment. In this way the city aims to create a broad, cohesive policy focusing on tech start-ups and fast growers.

**The Hague Region, The HagueSecurity Delta**

The Hague Security Delta (HSD) positions itself as the national security cluster. Businesses, local authorities and knowledge institutions work together in it on innovative security solutions. To this effect they share their knowledge and issues in relation to cyber security, national and urban security, protection of vital infrastructure and the forensic field of work. The common goal of the HSD partners is a safer world, more business activity and more jobs. HSD focuses on attracting national and international talents, investors, conferences and organisations.

**Eindhoven Region, Brainport Eindhoven**

Brainport Development focuses on the stimulation and realisation of projects and programmes. The regional initiative is a partnership of businesses, knowledge institutions and local authorities in Brainport Eindhoven. The region positions itself as the top technology region.

Q5. What are the main [sectors](#) and [industries](#) in which your (Member) State aims to attract/attracts start-ups and innovative entrepreneurs? Please briefly explain, if possible to allow for comparison, with reference to the main sections (i.e. [section level classification](#)) of NACE Rev.2 classification of economic activities.

In a very general sense, attention is paid in the Coalition Agreement to the so-called 'top sector policy'. The Dutch top innovative sectors are sectors in which the Netherlands excels internationally (in general, not specifically aimed at startups). In this context, the focus is on the economic opportunities offered by the following major social themes: Energy transition/sustainability, Agriculture/water/food and Quantum /high tech /nano/photonics. This concerns the following 9 top sectors:

- Top Sector Horticulture and parent materials
- Top Sector Agri & Food
- Top Sector Water
- Top Sector Life Sciences & Health
- Top Sector Chemicals
- Top Sector High tech
- Top Sector Energy
- Top Sector Logistics
- Top Sector Creative Industry

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Because these sectors are knowledge-intensive, oriented to export and can make an important contribution to resolving social issues worldwide, they are designated as Top Sectors. Top sector policy is aimed at using the earning capacity of these sectors and strengthening the competitive power and economy of the Netherlands.

As far as third country nationals are concerned, in assessing applications for the general residence permit for self-employed persons, activities in the context of the Top Sector Policy are stimulated. The Netherlands Enterprise Agency can in fact grant points for this within the point system used. Innovative entrepreneurs can use this residence permit.

In the interview with an expert from StartupDelta, however, it was pointed out that StartupDelta does not use a sector focus for start-ups. StartupDelta stated in this regard that it looks at the potential of a business to grow rather than at the sector in which the business activity falls. An expert from the Ministry of Economic Affairs and Climate Policy also stated that the most important thing is that start-ups acquire a right to exist, grow and join the networks round their business. Joining initiatives from the top sectors is a possibility to do so. In the interview with StartupAmsterdam it was mentioned as well that the local policy should be in line with the local dynamics. The main idea is therefore that this concerns innovation, sustainability and the creation of jobs.

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

65 For more information see: www.topsectoren.nl and Annex 8b. to Section 3.20b, subsection 1, under b, of the Aliens Regulations (VV) 2000.
66 Interview with an expert from StartupDelta on 1 April in Amsterdam.
67 Information provided by an expert from StartupAmsterdam on 8 April 2019.
This section aims to provide an overview of the national legal framework and policies in EU Member States and Norway in relation to startups and innovative entrepreneurs from third countries. Please provide qualitative evidence to support your answer, where appropriate.

Q6. Is attracting startups and innovative entrepreneurs from third countries a national policy priority?

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

Yes, the attraction of start-ups and innovative entrepreneurs from third countries is a national policy priority in the Netherlands. It is a policy priority because (i) measures have been taken to attract start-ups from third countries, such as the introduction of the start-up scheme; (ii) the responsible government members have regularly informed the House of Representatives.

Explanation
That it is a policy priority is evident from a number of policy documents:

- For example, from the Ambitious Entrepreneurship Action Plan in which the former government gave opportunities to starters and entrepreneurs with growth ambitions (including start-ups from third countries). The former government for instance created start-up residence permits for beginning foreign entrepreneurs (from third countries) and other possibilities (such as financing).
- Another example is the Comprehensive Agenda on Migration of the Netherlands, from which it emerges that an increasingly stronger stance is being taken on legal migration, in order to enhance the Dutch (knowledge) economy, innovative strength and competitive position, for example by means of start-ups.
- Lastly, it is evident from the Letter to Parliament ‘Stand van zaken: Startup en scale-up beleid’ (State of Affairs: Start-up and scale-up policy) of 21 December 2018 that the Ministry of Economic Affairs and Climate Policy (together with the Ministry of Social Affairs and Employment and the Ministry of Justice and Security) are examining improvements to the start-up and scale-up policy, also concerning the attraction of start-ups from third countries such as, for example, examining the possibilities to allow the start up to take along key personnel (from third countries).

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

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68 Such as the State Secretaries of Economic Affairs and Climate Policy and Justice and Security.

69 There are of course innumerable policy priorities in Dutch economic policy that deserve (continuous) attention, but this individual topic can be considered a priority. During the focus group meeting on 18 April 2019 it was stated nevertheless that according to some experts the maximum is not being done, and a stronger interrelatedness of start-up policy with other policy fields such as top sector policy could possibly result in more impact (for example even higher on the policy agenda, more initiatives, etcetera).


72 Key personnel means essential personnel for a start-up. The term ‘key personnel’ is used in the Letters to Parliament and is therefore used in this study.

73 For more information about this see the other questions in the template.

74 For the Letter to Parliament see the added link: https://www.rijksoverheid.nl/documenten/kamerstukken/2018/12/21/kamerbrief-over-stand-van-zaken-startup-en-scale-up-beleid

75 For more information about this measure see question Q9b in this template.
☐ Yes, a special visa is in place to facilitate the immigration of TCN start-up founders. Please explain:

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

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

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

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**Residence permit for third-country nationals who want to found a start-up**

**Yes**, there is a special residence permit for third-country nationals who want to found a start-up in the Netherlands. For this purpose the third-country national can apply for the residence purpose ‘work on a self-employed basis in a start-up’.76

**General: explanation of the (start-up) residence permit**

On 14 March 2014 the Ambitious Entrepreneurship Action Plan was published, in which the introduction of a start-up residence permit was presented.77 Innovative start-ups receive a residence permit for a year. The start-up scheme entered into effect on 1 January 2015.78 With a residence permit as a ‘start-up’ ambitious starters/entrepreneurs are given the time for a year to start an innovative business. A condition is that they must be assisted in doing so by a reliable mentor (facilitator) in the Netherlands.79 80

**Residence permit for third-country nationals who want to found an ‘innovative business’**

**Yes**, a residence permit is also in place for a third-country national who wants to found a business in the Netherlands. Besides the start-up scheme, a third-country national who wants to set up an innovative business can also gain entry to the Netherlands by way of the self-employment scheme.81 If a third-country national wants to found a sole proprietorship that is not a start-up, an application can then be sent for the residence purpose ‘work on a self-employed basis’ (third-country national).82 One of the conditions for entry under this scheme is that the product an entrepreneur plans to offer must be innovative in nature for the Netherlands.83 The emphasis under this scheme is not on ‘innovative’ entrepreneurs but rather on self-employed entrepreneurs, wherein the condition of innovation is taken into account.84

**Additional explanation: Entry and Residence Procedure (TEV) (‘Toelating en verblijfsprocedure’)**

The ‘Entry and Residence Procedure’ (TEV) is followed in applying for a residence permit with ‘work on a self-employed basis in a start-up’ as the residence purpose. A third-country national

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80 For more information on facilitators, we refer to box 2 of this template.
81 See also box 2 of this template for more information.
83 The section ‘innovative nature’ comes under the assessment of the point system.
obtains a residence permit, but must however apply for a visa by which he or she can enter the Netherlands. Application for the ultimate residence permit and the accompanying visa is explained briefly below.

As a result of the entry into effect on 1 June 2013 of the Modern Migration Policy Act (MoMi) and the National Visa Act (MVV-Wet) the procedures for entry and residence have been simplified. These laws pertain to the regular grounds for residence in the Netherlands. For the Netherlands this means that the application procedure for the provisional residence permit is combined with the application procedure for the longer-term residence permit. Owing to this, the former double application procedure will lapse for the Immigration and Naturalisation Service (IND) as well as many third-country nationals, because it is now combined in one procedure. The MVV is a special entry visa. The MVV is a sticker that the Dutch representation affixes to the passport. If the IND takes a positive decision on the application, the third-country national picks up the MVV at the Dutch representation where he or she submitted the application. With it, the third-country national may enter the Netherlands. As soon as the third-country national is in the Netherlands, the third-country national can pick up the residence permit. From that point of view, this is also called a ‘special residence permit for start-up founders’ instead of a visa, as these have been combined in the Netherlands in the TEV procedure. The TEV procedure applies to everyone and is not only intended for start-ups.

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

The rationale for introduction of the entry scheme for start-ups is evident from the Ambitious Entrepreneurship Action Plan from 2014. This is explained in more detail below.

The following reasons for introduction of the special start-up scheme emerge from this action plan:

1. The Netherlands wants to be ‘the place to be’ for promising Dutch and foreign talents who start up their own businesses, because they contribute to the prosperity and competitive position of the Netherlands. There is a lot of competition with other countries to attract and stimulate innovative start-ups.

2. Simple entry procedures can make the Netherlands attractive to these start-ups. The start-up scheme is a means to that effect.

3. Previously, starting entrepreneurs were often not eligible for the self-employment scheme because they often did not have a detailed business plan or enough seed capital. The start-up scheme eases this and makes the Netherlands more easily accessible to start-ups.

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85 For more information on the Modern Migration Policy Act (MoMi), see: https://wetten.overheid.nl/BWBR0027930/2013-09-21
87 It should be noted that not all third-country nationals need a visa. The nationality is, first of all, the determining factor for this. If the third-country national does not need a visa, he or she can submit an application in the Netherlands as a starting entrepreneur.
89 On 14 March 2014 the Ambitious Entrepreneurship Action Plan was published, in which the introduction of a start-up residence permit was presented.
Q7c. If yes, when was the start-up scheme introduced?

The start-up scheme entered into effect on 1 January 2015.\(^{93}\)

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

Prior to the introduction of the start-up scheme, the start-up founders used the self-employment scheme.\(^{94}\) For more information about the self-employment scheme see Q7a.

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

Not applicable to the Netherlands.

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

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

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

☒ No. Please explain:

No, the Netherlands has no special scheme for TCN start-up employees. The creation of such a scheme is being considered at present.\(^{95}\)

Q8b. If your (Member) State has a special visa/residence permit in place for start-up employees, please explain the rationale for adopting such schemes:

Not applicable to the Netherlands.

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

Not applicable to the Netherlands.

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

☒ Yes. Please explain:

☐ No.

Yes, several changes are planned in legislation/policy/practice in the Netherlands. These are

\(^{92}\) Bulletin of Acts and Decrees (Staatsblad) (2014, no 450). The Decree of 19 November 2014 amending the Aliens Decree 2000 in connection with the introduction of a basis for admitting starting third-country entrepreneurs and abolishment of the obligation to notify for a short stay of third-country nationals from outside the European Union, p. 3


\(^{95}\) See Q9a for an explanation of an exploration of possibilities for introducing a scheme.
specific changes concerning start-ups and innovative entrepreneurs from *third countries*. The changes will be made after this report has been written (May 2019). Qualitative sources (such as Letters to Parliament) were used to answer this question.

The changes are grouped below on the basis of themes. Afterwards, the intentions and planned changes are explained. Only changes are included that *directly* affect the policy for startups from third countries (and not for example highly skilled migrants in general).

1. Change: Adjustment of the point system (self-employment scheme)

From the Letter to Parliament 'State of affairs: -up and scale-up policy' of 21 December 2018 it becomes evident that an adjustment of the point system for self-employed persons is being prepared. This is therefore relevant to start-ups and entrepreneurs, because they too can be admitted to the self-employed scheme by the Netherlands.

**Explanation**

This concerns the following elements of the point system that need to be adjusted.

- Addition of the Associate Degree to the list of diplomas with which points can be obtained.
- Award of points to persons who have passed the civic integration examination.
- Award of points for experience with international business (export experience, international cooperation).
- Abolishment of the requirement of a business plan and acceptance of investors’ propositions.
- Award of points for business plans with international market potential or an international component in the organisation.
- Award of points not only in case of financing by Dutch banks, but with more forms of financing.
- Possibility to award more points in case of a contribution to top sectors.
- Award of points by cities based on potential added value for the city.
- Increase of the maximum number of points to be obtained on the above-mentioned element from 20 to 30. A maximum score on one of these elements will then be sufficient, and points for investment or job creation will no longer be needed.

**Status** It is not yet clear if or when this policy will finally be implemented and/or if all elements mentioned above will also be implemented.

**Type of change** This is a policy change for which decision-making is needed (on the legislation).

2. Change: Extension of the start-up scheme to key personnel

It emerges from various Letters to Parliament that the Ministry of Economic Affairs and Climate Policy is examining whether it is possible to allow key personnel of foreign start-ups to come along with the founder of the foreign start-up.

**Explanation**

In order to answer this question, a study was conducted of Letters to Parliament and other documents from the Central Government to see if any changes to legislation, policy or practice are in the offing. EMN Netherlands has looked from 1 January 2017 onwards and examined whether any documents give an indication of changes *after* March 2019.

The possible measures mentioned below, which are also mentioned in the Letters to Parliament, are mostly elaborations on the recommendations made in the City Deal Welcome for Talent Report (2017).

See Q7a in this template for more information on this point system.

These elements are not described as such in the Letter to Parliament, but have been taken from the City Deal Warm Welcome for Talent Report (2017), pp. 34-40.


The key personnel are the personnel of a small team of the start-up. These are personnel who are not registered with the Chamber of Commerce as directors/officers. This group can in fact obtain a ‘start-up residence permit’.


In cooperation with the Ministry of Justice and Security and the Ministry of Social Affairs and Employment.

Letter to Parliament 'State of affairs: Start-up and scale-up policy' of 21 December 2018 and Policy response to the Research and Documentation Centre (WODC) report 'Aantrekkelijkheid van Nederland voor kennismigranten' ('Attractiveness of the Netherlands to highly-skilled migrants') of 15 February 2019.
Start-ups that want to establish themselves in the Netherlands are often already composed of a (small) team. Start-ups that are selected by a facilitator usually want to relocate the whole team to the Netherlands. It is often the case, however, that not all team members are registered with the Chamber of Commerce (KVK) as directors/officers. In that case a team member is not eligible for the start-up scheme, whereas the team member is an essential part of the team and the whole team has been selected. Because of the high salary requirements, it is often not feasible to have these team members brought to the Netherlands as highly skilled migrants. A solution would be to make this start-up scheme available also to so-called key personnel.

In that case no income requirement would apply, but the means requirement would or, in any case, the condition that the key personnel must not rely on public funds (assistance) would apply.

**Status** It is not yet clear if and/or when this policy will finally be implemented and/or if all above-mentioned elements will also be implemented later.

**Type of change** This is a policy change for which decision-making is needed (on legislation).

3. Change: Indication of work status of the entrepreneur and his/her family members

From the Letter to Parliament 'State of affairs: Start-up and scale-up policy' of 21 December 2018 it becomes evident that it is being examined whether the partner of the foreign self-employed person can be given more freedom on the Dutch labour market.

**Explanation**
The change will see to it that the indication of work status for the entrepreneur and his/her family members is extended to 'no employment restrictions', just as the family members of highly skilled migrants. This gives family members the opportunity 'simply' to work, and not only as an entrepreneur.

**Status** It is not yet clear if and when this policy will finally be implemented and/or if all above-mentioned elements will also be implemented later.

**Type of change** This is a policy change for which decision-making is needed (on legislation).

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

☒ Yes. Please explain:

☐ No. Please explain:

Yes. As indicated in the answers to the foregoing questions, the Netherlands has a special scheme for the entry of third-country nationals who want to found a start-up, but still no special scheme for employees of a start-up. As stated in the answer to Q9a, the Netherlands is indeed planning to introduce a special scheme for some of the personnel of the start-up, namely for the key personnel.

**Additional explanation**
This is evident from various documents of the Ministry of Economic Affairs and Climate Policy in which it is stated that they are examining whether it is possible for key personnel of foreign start-ups to come along with the founder of the foreign start-up. This measure is not about introducing a separate scheme for start-up employees, but about taking along personnel for foreign start-ups within the current scheme. The intention is to develop a scheme for start-ups in the growth stage by which they can engage in Dutch activities.
key personnel to whom a lower salary criterion will apply, but for whom employee participation is indeed mandatory. This scheme can be used by foreign and domestic start-ups. It is not yet clear when this policy will finally be implemented.

Q9c. Have there been any recent or ongoing national public/policy debates with regard to facilitating the immigration of startups and innovative entrepreneurs from third countries?

☐ Yes. Please explain, providing qualitative evidence:
☐ No.

To answer this question, the period from 1 January 2017 to the time of writing this template (May 2019) was examined.

No, from 1 January 2017 no national public/policy debates have been identified with regard to facilitating the immigration of start-ups and innovative entrepreneurs from third countries.

Section 3: Admission conditions for start-ups and innovative entrepreneurs from third countries

See the answer to Q9a for an extensive explanation.
This section aims to provide an overview of the admission conditions for start-ups and innovative entrepreneurs from third countries. To facilitate comparison:

- **Section 3.1.** focuses on evaluating the business (i.e. start-up) and should only be completed by (Member) States who have a specific process of evaluation for start-up/business plan for TCNs - *If there is no specific process in place and general registration for a new business applies, please only answer Q3 in Section 1.*

- **Section 3.2.** should be completed only by (Member) States which have a specific scheme in place.

- **Section 3.3.** should be completed only by (Member) States which do not have a specific scheme in place.

- **Section 3.4.** looks at four fictional scenarios and should be completed by all (Member) States.

### 3.1. Admission conditions from the business (start-up) perspective - evaluating the business plan and conditions that need to be met to qualify as a start-up [ONLY FOR THOSE (MEMBER) STATES WHICH HAVE SPECIFIC PROCESS TO EVALUATE THE BUSINESS/START-UP]

#### General comment
In the Netherlands start-ups and innovative entrepreneurs can come to the Netherlands via the general self-employment scheme, if the conditions are met. In addition, a condition is that they must satisfy a “point system”, for which points can also be awarded if the product or service is innovative. This also enables innovative entrepreneurs to use this scheme. In this section, however, only the start-up residence permit is explained in more detail, and this general self-employment scheme is not taken into consideration.

**Q10.** Please explain what are the requirements/criteria to be qualified as a start-up or innovative entrepreneur (e.g. investment, innovative scalable business model[107], prior registration in the MS, etc.)?

#### The start-up residence permit
In the Netherlands, assessment of the start-up forms an integral part of the start-up founder's application for the residence permit. Only the conditions are explained below that purely relate to the business aspects of the start-up. The conditions relating to the right of residence are explained in more detail under Q12b.

**Conditions relating to the start-up**

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- having a step-by-step plan to go from idea to business: The starting entrepreneur must present a step-by-step plan, showing what the third-country national's role is in the start-up and the further structure of the organisation, the roles and duties, the legal form, the personnel and the object of the company.[108] In addition the idea for the product or service that the start-up will offer must be explained. The innovative nature of the product or service must be dealt with in this regard. Finally, the planning and activities (steps) the starting entrepreneur will take in the first year must be specified.

- cooperation with a Dutch facilitator: The start-up must enter into cooperation with a facilitator. The facilitator is a mentoring party that provides the start-up entrepreneur with a tailor-made package, depending on the mentoring the starting entrepreneur needs. The facilitator helps (for example) with business operations, marketing, research and searching for investors for setting up the innovative company. [109] Facilitators always provide tailored mentoring. An accelerator or incubator programme may form part of this. The mentoring party must meet several conditions before the party may act as a recognised facilitator. [110] See box 3.
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[107] "Scalability is one of the most important factors for entrepreneurs considering starting a new business or hoping to take a current business to the next level. Successful business growth depends on a scalable business model that will increase profits over time, by growing revenue while avoiding cost increases." Source: [www.entrepreneur.com](https://www.entrepreneur.com).


the service or product must be innovative for the Netherlands. This is assessed on the basis of the following three aspects that can demonstrate the innovative nature, of which at least one aspect must be applicable\textsuperscript{111}:

1. The product or service must be new for the Netherlands
2. New technology has been used in production, distribution and marketing
3. There is an innovative organisational structure and working method

The starting entrepreneur and the facilitator must be entered in the Commercial Register of the Chamber of Commerce (KVK). (See also Q3a). In order to register, the entrepreneur must have chosen a legal form for the business to be set up, have met any applicable legal requirements (such as professional requirements and environmental permits) and have provided for the organisation of accounting records/administration.\textsuperscript{112}

Q11. Please explain the process of evaluating the start-ups/innovative entrepreneurship, with regard to:

Q11a. Who assesses the eligibility of the start-up? Please explain:

In the Netherlands, the Netherlands Enterprise Agency (RVO) decides on the conditions to be set on the start-up. The Netherlands Enterprise Agency (RVO) is an implementing organisation and is situated under the Ministry of Economic Affairs and Climate Policy (EZK).\textsuperscript{113} Assessment of the start-up forms an integral part of the start-up founder’s application for a residence permit. This procedure is explained briefly below.

Procedure

In the Netherlands, the application for the residence permit for starting entrepreneurs must be submitted to the Immigration and Naturalisation Service (IND). The IND is the authority that decides on the application for the residence permit. The IND asks the RVO to give advice in this regard on whether the conditions for being considered a start-up have been met. If RVO gives the IND negative advice on the conditions relating to the start-up, the application for a residence permit is then rejected. The assessment of the issue of the residence permit (the aspects relating to the right of residence) and the assessment of the start-up itself (the business aspects) are thus combined in a single procedure and a single decision.

Q11b. What documents have to be submitted for the assessment? Please explain and indicate in case it differs for TCNs that have already founded a start-up abroad and those who are yet to set up a business:

In the Netherlands, on submitting the application for the residence permit for start-ups, the following documents must be submitted that are specific to this residence purpose. Only the business aspects are mentioned here. The means requirement must also be met, but this pertains more to the third-country national and the degree to which he/she is able to support him/herself. The requirements for the residence permit (that pertain more to the person) are explained in more detail under Q12b.

- Business plan. Please explain:
- Means of financing (e.g. bank statements). Please explain:
- Patents, trademarks, intellectual property. Please explain:
- Qualifications and diplomas of the start-up founder. Please explain:
- Evidence of registration in a national commerce register. Please explain:

Evidence of registration in the Commercial Register: Both the facilitator and the start-up must be entered in the Commercial Register of the Chamber of Commerce (KVK). On registering with the Chamber of Commerce, any lease or purchase agreement for business premises, a description of the business and expected revenues must be submitted. As soon as the facilitator and start-up have been

\textsuperscript{112} For more information see: https://ondernemersplein.kvk.nl/eigen-bedrijf-starten-10-belangrijkste-stappen/. Consulted on 22 March 2019.
\textsuperscript{113} For more information see: https://www.rvo.nl/over-ons/onzorganisatie. Consulted on 13 March 2019.
registered, both parties will receive a registration number (KvK number). The Chamber of Commerce numbers must be quoted on the application for the residence permit.

☐ Others. Please explain:

“*Step-by-step plan:* The starting entrepreneur must present a step-by-step plan, from which, first of all, it is evident what the third-country national’s role is in the start-up and the further structure of the organisation, the roles and duties, the legal form, personnel and object of the company.114 In addition, the idea for the product or service the start-up will offer must be explained. The innovative nature provided by the product or service must be dealt with in this regard. Finally, the planning and activities (steps) the starting entrepreneur will take in the first year must be specified. These are the steps taken to go from the idea to the ultimate business. The step-by-step plan is not the same as a business plan. A business plan, for example also contains the market analysis and deals with the main target group of the organisation and the competitive position.

“*Agreement between the facilitator and the starting entrepreneur*:115 The starting entrepreneur must submit an agreement with the facilitator with the application. Also the nature of the mentoring must be discussed (for example the facilities provided and access to coaching). In addition, the conditions under which the mentoring is provided must be explained. Lastly, information must be provided on the possible interest of the facilitator in the company. There may not be a majority interest.116 The agreement must be signed by both parties.117

“*Proof of the reliability and expertise of the facilitator:* If the Netherlands Enterprise Agency has given a positive advice on the facilitator in the year preceding the application, the third-country national will no longer have to prove the reliability and expertise of the facilitator.118 In the other cases, the third-country national must provide as much evidence as possible, such as proof of registration with the Chamber of Commerce.119 Such expertise can be substantiated by the tailor-made facilities that can be provided by the facilitator to the start-up (included in the agreement between the parties) and documents that confirm the facilitator’s experience with mentoring innovative starting entrepreneurs. It is important for the reliability of the facilitator that the facilitator is financially healthy. This can be proved, for example by presenting annual accounts, audit opinions and bank statements.

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

The third-country national must submit one application to the IND in relation to obtaining the right of residence as well as approval of the start-up (see also Q11a). The IND assesses the aspects relating to the right of residence for the migrant, regarding which the Netherlands Enterprise Agency gives the IND advice on the business aspects of the start-up (see also Q11a).

In practice, the Netherlands Enterprise Agency (RVO) needs two weeks on average to give the IND advice on the business aspects of the start-up.120 Because the advice of the Netherlands Enterprise Agency forms an integral part of the entire application to the IND for a right of residence, no separate statutory time limit for a decision applies to this specific aspect. A statutory time limit applies only to the decision on the entire residence permit procedure (of which assessment by the Netherlands Enterprise Agency (RVO) is a part), which is 90 days (see Q13d for this).

Q11d. How long after the decision has been communicated to the applicant, s/he can register their company/apply for the residence permit? Please explain:

120 Interview with experts of the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague. This is an estimate of the average time needed.
Registration of the company and submission of the application for a residence permit precede the Netherlands Enterprise Agency's advice on the business aspects of the start-up. The third-country national actually submits one application to the IND in relation to the residence permit and setting up the start-up (see also Q11a). The IND assesses the aspects relating to the right of residence for the migrant, whereby the Netherlands Enterprise Agency gives the IND advice on the business aspects of the start-up. A single decision follows from this on the issue or rejection of the residence permit with setting up a start-up as the residence purpose.

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

- [X] Online. Please explain:
- [ ] In person. Please explain:
- [ ] Other. Please explain:

### 3.2 Admission conditions from the person perspective (start-up founders and employees)

[ONLY FOR THOSE (MEMBER) STATES WHICH HAVE A SPECIFIC START-UP SCHEME]

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

- [X] Start-up founders. Please explain:
- [ ] Start-up employees. Please explain:

This question does not apply to the situation in the Netherlands.

**Q12b.** What are the requirements for applying for a start-up residence permit – if applicable (e.g. sufficient means, prior approval of start-up by the responsible authority, insurance)? Please differentiate in case it applies:

- [X] Start-up founders. Please explain:

#### General conditions for the start-up residence permit

First of all, there are several general conditions that apply to each residence purpose. These are possession of a valid passport or other travel document, filling in an antecedents certificate (in this the third-country national must provide information on his/her criminal record) and undergoing a medical examination for tuberculosis (unless there is an exemption from this).

#### Specific conditions for the start-up residence permit

A means requirement applies in addition to third-country nationals who apply for a residence permit as starting entrepreneurs. The third-country national needs to have long-term means available to be able to pay for residence in the Netherlands. The starting entrepreneur can prove in different ways that this requirement will be met. For example, a bank statement can be submitted to demonstrate that the starting entrepreneur can finance him/herself. In addition, the mentor, a third person or legal entity can state in an agreement that they will financially support the starting entrepreneur. These financial means must be available at least for a year, or for the duration of the intended residence.

As not only the aspects of the right of residence (for the third-country national), but also the business aspects (concerning the start-up) are considered for the residence permit for start-ups (see also Q11d),

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122 Section 3.30, subsection 6 of the Aliens Decree (Vb) 2000, Section 3.20b of the Aliens Regulations (Vv) and Section B6/4.5 Aliens Act Implementation Guidelines 2000.
124 Section 3.20b, subsection 4 of the Aliens Regulations (Vreemdelingenvoorschrift).
the third-country national must also meet the requirements referred to in Q10 in order to receive positive advice from the Netherlands Enterprise Agency (RVO). This concerns:

- having a step-by-step plan to go from idea to business;
- cooperation with a facilitator;
- the service or product must be innovative;
- the starting entrepreneur and the facilitator must be entered in the Commercial Register of the Chamber of Commerce.

☐ Start-up employees. Please explain:

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

☒ Start-up founders. Please explain:

Yes, if a TCN applies from abroad, the TCN must apply for an entry visa (unless the TCN is in a category that is exempted from the obligation to have an entry visa (MVV)). This condition does not apply to TCNs already residing in the Netherlands on the basis of a different residence purpose. All other conditions are identical.

☐ Start-up employees. Please explain:

This question does not apply to the situation in the Netherlands because no separate residence permit exists for start-up employees.

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

☒ Yes. Please explain:

☐ No.

Yes, there are four residence purposes that enable entrepreneurial activities to be performed at the same time. This is possible for highly skilled migrants, researchers and students. TCNs with a residence period for the so-called ‘year for a highly skilled migrant to find a job’ (which enables them to stay for a year in the Netherlands within 3 years after their graduation to find a job), may perform entrepreneurial activities. It is possible to perform entrepreneurial activities on condition that the TCN continues to meet the requirements set for the original residence purpose.

Q13. How is the application processed? Please explain:

Q13a. To which authorities is the application submitted?

The application for the residence permit for start-ups is submitted to the IND (see also Q11a).

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

☒ Online. Please explain:

The facilitator can submit the application online for the third-country national.

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In person. Please explain:

If the TCN is already in the Netherlands, it is possible to hand over the application form in person at an IND desk. An appointment must however be made for this.\textsuperscript{128} If the TCN is still staying abroad, the application must be made at the Dutch representation in the country of origin or the country of permanent residence. The embassy or consulate will then send the application to the IND.\textsuperscript{129}

Other. Please explain:

If the TCN is already in the Netherlands, the application for the residence permit for starting entrepreneurs can be sent to the IND by post.\textsuperscript{130} In addition, the facilitator can submit the application by post.

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

\textbf{Yes}, it is possible for the start-up founder to employ third-country nationals. The start-up entrepreneur has the possibilities to employ third-country nationals who are already residing lawfully in the Netherlands and have access to the labour market.

In addition, third-country nationals can be recruited from abroad, who still need to come to the Netherlands. This is possible under the residence purposes 'work as a highly skilled migrant' or 'work in paid employment'. Several general conditions also apply to this: the person must possess a valid passport or other travel document, must fill in an antecedents certificate and must undergo a medical examination for tuberculosis (unless he/she is exempted from this).\textsuperscript{131} A number of specific conditions apply as well per residence permit, namely:

\textit{Work as a highly skilled migrant}\textsuperscript{132}

A wage criterion applies to a residence permit for highly skilled migrants that has to be met. This is set at €3,299 gross per month for highly skilled migrants under the age of 30, and €4,500 gross month for highly skilled migrants 30 years of age or older.\textsuperscript{133} The agreed wage must be in line with the market. In addition, the third-country national must have concluded an employment contract with the employer in the Netherlands (in this case the startup). This employer (the startup) must be known as a recognised sponsor at the IND.\textsuperscript{134}

\textit{Work in paid employment}

A Combined Residence and Work Permit (GVVA) is needed for this, which combines the residence permit and the work permit.\textsuperscript{135,136} This enables one permit to be issued, which confers the rights of residence as

\begin{footnotes}
\footnote{128}{For more information see: \url{https://ind.nl/Formulieren/7058.pdf}. Consulted on 20 March 2019.}
\footnote{130}{If a temporary residence permit (MVV) is used, the application cannot be sent by post, but must be submitted in person at an IND desk. For more information see: \url{https://ind.nl/Formulieren/7058.pdf}. Consulted on 20 March 2019.}
\footnote{132}{Besides these, additional conditions apply to researchers, doctors in training and transfer in the context of a group of companies.}
\footnote{133}{Section 1d, subsection 1, under a, of the Decree implementing the Foreign Nationals (Employment) Act (Wav). The standard amount will be adjusted annually as of 1 January and published by the Minister in the Government Gazette. The amounts mentioned apply to 2019. The holiday allowance does not count in calculating the standard amount.}
\footnote{134}{Recognised sponsorship is a system used in the Netherlands. The employer must follow a procedure at the IND in which the IND checks the organisation on a number of conditions, in order to find out if it is a reliable partner for the IND. After recognition as a sponsor, the organisation is listed in a public register on www.ind.nl. For more information see:\url{https://ind.nl/werk/P.s/Kennismigrant.aspx} and \url{https://ind.nl/Formulieren/3075.pdf}. Consulted on 20 March 2019.}
\footnote{135}{See footnote 222 for more information on the work permit.}
\end{footnotes}
well as the rights relating to work. Requirements are that the standard amount set for the income must be met, and that the employer must be registered with the Chamber of Commerce (KVK). In addition, the Employee Insurance Agency (UWV) must have given positive advice on fulfilment of the criteria set by the Foreign Nationals (Employment) Act (Wv). Part of this is, among other things, that there must be no supply of employees present in the Netherlands or the EU (prioritised supply).

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

The IND has taken a decision on the application for the residence permit or starting entrepreneurs within 90 days. The application must be complete and all documents necessary for this must have been submitted. It is however possible as well to extend this period.

The currently estimated processing time is usually 7 weeks, in the event that the facilitator has already been recognised by the Netherlands Enterprise Agency (RVO). This takes longer if the facilitator has not yet been recognised by the Netherlands Enterprise Agency (RVO).

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

The residence permit for starting entrepreneurs is granted for the duration of a year.

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

In order to answer the question whether there are challenges regarding the admission of start-ups and innovative entrepreneurs from third countries, as the first step, EMN Nederland studied (evaluation) reports. As the second step, in interviews with the (governmental) stakeholders (see boxes 1 and 2 of the template) EMN Nederland asked about the challenges that emerge in (evaluation) reports and about any other challenges. As the third and last step, EMN Nederland discussed the challenges with the government and other stakeholders at the time of the focus group meeting on 18 April. The following challenges for the Netherlands emerged from this:

**The following challenge regarding the admission of start-up founders and innovative entrepreneurs emerged from the evaluation and other reports:**

- **Legislation for personnel**

  In the City Deal Warm Welcome for Talent Report, a recommendation was made to extend the residence permit for start-ups to key personnel. In the current legislation, it is often the case that not all team members are able to come to the Netherlands via de start-up residence permit. The requirement is namely that team members must be registered as a director or officer in the Commercial Register of the Chamber of Commerce (KVK) in order to make use of the scheme. For this purpose, the entrepreneur must have active control in the business as well as a majority interest. This is not always self-evident for key personnel of start-ups, certainly if a large investor holds shares.

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138 Section 25, subsection 1, under a of the Aliens Act (Wv) 2000.

139 Section 2u, subsection 1 of the Aliens Act (Wv) 2000 and Section 25, subsection 2 of the Aliens Act 2000.

140 Information provided by the Ministry of Justice and Security on 30 April 2019. This is an estimate made on the basis of experience and therefore not generated from figures.

141 Key personnel means essential personnel for a start-up. The term ‘key personnel’ is used in the Letters to Parliament and is therefore used in this study.


143 Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague; Interview with an expert from StartupDelta on 1 April 2019 in Amsterdam.
The current legislation can make it difficult for start-up entrepreneurs to have the whole team come to the Netherlands. The experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy as well as the experts from StartupAmsterdam and StartupDelta acknowledged this challenge in the interviews held.

The highly skilled migrant scheme could provide a solution for taking along all team members. But the high salary requirement that applies in the highly skilled migrant scheme sees to it that this scheme cannot always provide a solution. Start-ups are new businesses that often do not earn much in the beginning and therefore cannot meet the wage criterion set. The challenge for start-ups regarding the employment of highly skilled migrants is also mentioned in the City Deal Warm Welcome for Talent. The recommendation is made in it to allow personnel of start-ups to be eligible temporarily for a lowered salary criterion. In the interview with the expert from StartupDelta this challenge was also identified. The expert from the Ministry of Economic Affairs and Climate Policy (EZK) stated that possible solutions are being examined.

From interviews with the stakeholders, several other challenges emerged in addition regarding the admission of start-up founders and entrepreneurs:

- **Provision of information**
  Experts identified different challenges in relation to the provision of information.

  It emerged from the interview with the expert from the Ministry of Economic Affairs and Climate Policy that it can be difficult for starting entrepreneurs (who are planning to establish themselves in the Netherlands) to obtain information from the Dutch Embassy in their country of origin. At the embassies, it may only be possible a few times a year to come in contact with matters concerning the founding of a start-up in the Netherlands, owing to which specific knowledge about this is absent. Moreover, in some countries there is no Dutch embassy, but only a general European representation.

  The expert from StartupAmsterdam stated as well that she has experienced that start-up entrepreneurs in Amsterdam are not always well informed of the support they can receive from municipal departments. Information on residence schemes is crucial in the admission process. At expat centres in Amsterdam, good experience has been gained with informing international (mainly highly skilled) migrants and their employers about admission, working and residing in the Netherlands. Expat centres could adjust their services better to start-up entrepreneurs’ need for information, according to the expert.

- **Practical challenges**
  From the interview with the experts from StartupDelta, it emerged that the policy of banks relating to the opening of a Dutch bank account by third-country founders or allowing withdrawal from financial investments from abroad can be a challenge for third-country start-up entrepreneurs. The investigation by the banks into the backgrounds of these founders and/or the investments is expensive and often does not weigh up against their proceeds, in any case in the short term. Nor does it help in this regard that foreign founders often have no command of the Dutch language. StartupDelta works together

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144 Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague; Interview with an expert from StartupDelta on 1 April in Amsterdam; Information provided by StartupAmsterdam on 8 April 2019.


146 Interview with an expert from StartupDelta Delta on 1 April 2019 in Amsterdam.

147 Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague.

148 Information provided by StartupAmsterdam on 8 April 2019.

149 Interview with an expert from StartupDelta Delta on 1 April 2019 in Amsterdam.
Q13g. What are the good practices identified in your (Member) State? For each good practice mentioned, please describe a) for whom it is a good practice (e.g. policy-maker, organisation, other stakeholders), b) why it is considered a good practice and c) what is the source of the statement – e.g. based on input from experts, surveys, evaluation reports or from other sources (please indicate which ones).

To answer the question whether there are good practices regarding the admission of startups and innovative entrepreneurs from third countries, EMN Netherlands took the same steps as for mapping out the challenges. The following good practices in the Netherlands emerged from this:

From interviews with government and other parties involved, the following good practices emerged in relation to the admission of start-up founders and entrepreneurs:

- **Facilitator**
  Experts from the IND, Ministry of Justice and Security, Netherlands Enterprise Agency, Ministry of Economic Affairs and Climate Policy and Kroes Advocaten all stated in the interviews held that the system in which the facilitator acts as mentor can be viewed as a good practice.\(^{150}\) This in fact enables the selection of start-ups to rest more with a market party (the facilitator) than with a government body. The facilitator knows the market better and selects start-ups in which (sufficient) potential is seen to invest in and run a risk for. This is valuable, according to the experts. It is nevertheless important for government supervision of the facilitator to remain guaranteed in order to prevent abuse of this position.

- **Netherlands Point of Entry**
  According to experts from the Ministry of Economic Affairs and Climate Policy and an expert from StartupAmsterdam, the Netherlands Point of Entry is a good practice in the admission of start-up entrepreneurs.\(^{151}\) This goes further than information provision alone; entrepreneurs are really helped. The expert from StartupAmsterdam did however add that it is a challenge to provide all of the growing numbers of people who drop by for a meeting at the Netherlands Point of Entry and IN Amsterdam (expat centre) with the necessary support.

- **Digital application**
  It emerged from the interviews with experts from the IND, the Ministry of Justice and Security, the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy that the possibility to submit the application for the residence permit digitally is a good practice.\(^{152}\) In the City Deal Warm Welcome Report, such digitisation was previously mentioned as a recommendation.\(^{153}\) According to the experts, this now makes the application quicker and easier, compared to a written application.

According to the expert from the Netherlands Enterprise Agency (RVO) this also removes the uncertainty of the applicant, because s/he now sees which files s/he needs to upload and what exactly is expected of her/him.

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

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150 Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague; Interview with experts from the IND and the Ministry of Justice and Security on 28 March 2019 in The Hague; Interview with an expert from Kroes Advocaten on 20 March 2019 in Amsterdam.

151 Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague; Information provided by StartupAmsterdam on 8 April 2019.

152 Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague; Interview with experts from the IND and the Ministry of Justice and Security on 28 March 2019 in The Hague.

153 City Deal Warm Welcome for Talent (2017), p. 43.
Please note that this section should only be answered by (Member) States which do not have a specific scheme for start-ups/innovative entrepreneurs in place.

Not applicable.

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

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

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

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

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

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

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

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

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

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

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

Q15. Please consider the following fictional scenarios (case studies) and for each scenario, please answer the following questions:

General comment

The following elaborations of the case histories start from the ideal situation in which all conditions are met and the person in question has succeeded in finding a facilitator in the Netherlands that is willing to mentor him/her.

1. TCN outside of the EU, has not set up business yet: Start-up at business plan stage, has not registered the company in the Member State, wants to apply from outside the EU

Vihaan is a highly skilled professional from India with a Master’s degree from University of Delhi, currently living in Delhi. For the past few months he has been working in an IT company there, but he plans to start his own business in the near future. He already has a business plan for a service-based app that he thinks could do well in your Member State. His goal is to come to your Member State and start his company there. What is the process that Vihaan would have to go through to build his start-up in your Member State?

1. What are the migratory pathways (visas/residence permits) available?

For his application, Vihaan can make a choice between two residence permits, provided he meets all conditions. Both residence permits come under the general residence purpose ‘work on a self-employed basis’. For both permits he must also apply for a provisional residence permit (MVV), unless he comes under an exemption category, but third-country nationals of Indian nationality are in principle required to
Vihaan would qualify for both residence permits if he were able to meet the conditions below.

1. **Conditions for admission under the start-up residence permit**

   (see Q11b for the documents to be presented)

   - With his application, Vihaan must present the step-by-step plan to go from idea to business. This step-by-step plan must provide insight into the service to be provided or the product, the structure of the organisation and the activities and planning needed for this.

   - The product or service Vihaan wants to offer must be **innovative**. This means that the product must satisfy one of the following aspects: 156
      a. The product or service is new for the Netherlands
      b. New technology is used in production, distribution and marketing
      c. The organisational structure and working method are innovative

   - In addition, entry into a cooperative arrangement with an approved facilitator is required. Such cooperation must be set out in a signed agreement between the two parties. The conditions to be met by the mentoring party in order to be considered a facilitator are set out in box 3 of this template.

   - Both Vihaan and the facilitator must be entered in the Commercial Register of the Chamber of Commerce (KVK).

   - Lastly, Vihaan must have sufficient income to live in the Netherlands.

2. **Conditions for admission under the residence permit for self-employed persons**

   - The business is entered in the register of the Chamber of Commerce (KVK).

   - Vihaan must meet the requirements for the practice of a profession or running of a business. Necessary permits must therefore be arranged.

   - Vihaan will have to earn sufficient income157 to carry out the company’s activities.

   - The activities of Vihaan’s company must be essentially important to the Dutch economy.158 Whether they are essentially important will be assessed on the basis of a point system.159 In total, 300 points can be obtained on 3 different elements, of which at least 90 points must be obtained (a minimum of 30 points per element). The elements are:

   1. Personal experience (education, entrepreneurship, work experience).

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154 Section 3.30, subsection 6 of the Aliens Decree (Vb) 2000.
157 This standard amount is adjusted each time. For the period from 1 January 2019 to 30 June 2019 inclusive, the standard amount for self-employed persons is set at €1,221.54 gross profit per month (with holiday allowance).
158 Section 3.30, subsection 1, under a of the Aliens Decree (Vb) 2000.
2. Business plan (market analysis, product/service, price, organisation, financing).
3. Added value for the Netherlands (innovative, job creation, investments).

3. Which authority would assess the eligibility of the applicants?

The IND would assess Vihaan’s application for the start-up residence permit or the residence permit for self-employed persons. In doing so, the IND asks the Netherlands Enterprise Agency (RVO) to give advice on the business aspects of the application.

Regarding the start-up residence permit, the Netherlands Enterprise Agency assesses Vihaan’s step-by-step plan, the facilitator and the innovative nature of the product or service, and checks whether Vihaan and the facilitator are entered in the Commercial Register.160 Regarding the residence permit for self-employed persons, the Netherlands Enterprise Agency checks whether the point system has been satisfied.

4. What is the application process?

If Vihaan wants to apply for a start-up residence permit, the facilitator can submit the application in digital form. Vihaan can also submit the applications for his residence permit and the provisional residence permit (MVV) or a visa at the same time himself at the Dutch Embassy or Consulate in India. Biometric data are taken at the diplomatic mission (Embassy or Consulate).161 The application for the residence permit will be forwarded from there to the IND.162 Vihaan will be informed by letter of how the charges (the costs of the application) must be paid. Before the IND assesses the substance of the application, they check whether any required documents are missing and whether the charges have been paid. If everything is in order, the substantive handling of the application begins and the IND obtains advice from the Netherlands Enterprise Agency (RVO). On the basis of this advice, the IND takes a decision on the granting of the residence permit. If a positive decision follows, and the residence permit is issued, Vihaan will have 3 months’ time to pick up the provisional residence permit at the Dutch Embassy or Consulate in India, and will then travel to the Netherlands. Vihaan can pick up his residence permit at an IND desk in the Netherlands.

5. How long would it take for the person to obtain the permit

The IND is required by law to take a decision on Vihaan's application for a residence permit for start-ups or self-employed persons within 90 days, provided the required documents have been submitted.163 There is however a possibility to extend this period.164 The current estimated processing time for the start-up residence period is usually 7 weeks, in the event that the facilitator has already been recognised by the Netherlands Enterprise Agency.165 In the event that the facilitator has not yet been recognised by the Netherlands Enterprise Agency, this takes longer.

2. TCN already in the EU, working as a highly skilled employee: Highly skilled third-country national who came on an EU Blue Card or an alternative national permit for highly skilled workers working for a company in a certain industry; after 2 years of working for the company wants to start his/her own business

Amel is a Tunisian citizen working for “B Solutions”, a biotech company in your Member State on an EU Blue Card permit or an alternative national permit for highly skilled workers arranged through her employer. After having worked for the company for two years, she feels that she is ready to take on a new challenge. She would like to start her own business in the same sector and set up a company that offers high-tech solutions to recycle waste in new, innovative ways, remaining in your Member State. What are her possibilities?

1. What are the migratory pathways (visas/residence permits) available?

Amel can apply for a start-up residence permit or the more general residence permit for self-employed persons. For the residence permit for starting entrepreneurs she must however have found a facilitator in

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163 Section 25, subsection 1, under a of the Aliens Act (Vw) 2000.
164 Section 2u, subsection 1 of the Aliens Act (Vw) 2000 and Section 25, subsection 2 of the Aliens Act 2000.
165 Information provided by the Ministry of Justice and Security on 30 April 2019. This is an estimate on the basis of experience and was therefore not generated from figures.
the Netherlands that is willing to mentor her. Amel no longer needs to apply for a provisional residence permit or visa, because she already resides in the Netherlands with a valid residence permit.\footnote{Section B6/2.5 of the Aliens Act Implementation Guidelines (Vc) 2000; Government Gazette (StCrt.) 2015/14.}

In addition, Amel can choose to continue working further at the company as a highly skilled migrant and perform entrepreneurial activities alongside this. Highly skilled migrants are allowed to perform entrepreneurial activities, but in order to do so Amel must indeed continue to meet the conditions set for the residence permit as a highly skilled migrant (such as the wage criterion). As she nevertheless wants to begin a new challenge after two years of working for the company, it is assumed in the following sub-questions that she no longer works at the company. She can then devote her efforts fully to her own business, and to do so she must apply for a residence permit for start-ups or self-employed persons.

2. Would the person qualify for the permit and if yes, under what specific conditions?

In order to obtain one of these residence permits, Amel must meet the same conditions as referred to in the case of Vihaan (see Q15 (1)).

1. For the residence permit for start-ups these are: presentation of a step-by-step plan, the product or service must be innovative, there must be cooperation with a facilitator, entry in the Commercial Register of the Chamber of Commerce is necessary and, in addition, Amel must have sufficient income available.

2. For the residence permit for self-employed persons these are: entry in the Commercial Register of the Chamber of Commerce, sufficient income, possession of all necessary permits for practising the profession or running the business and the activities must a have essential importance for the Dutch economy (which is determined on the basis of a point system).

3. Which authority would assess the eligibility of the applicants?

The IND would assess the application for the residence permit for startups or self-employed entrepreneurs, for which the Netherlands Enterprise Agency would be asked for advice. (see also Q15 (1)).

4. What is the application process?

If Amel wants to apply for a start-up residence permit, the facilitator can submit the application digitally. Amel can also apply for the residence permit for start-ups or self-employed persons herself, by sending the application form and the necessary documents to the IND by post or by making an appointment with an IND desk to submit the application in person.\footnote{The application forms are listed on the IND website, see: https://ind.nl/werk/P.s/Start-up.aspx. For more information see: https://ind.nl/werk/P.s/Start-up.aspx. Consulted on 15 March 2019.}

Amel will then receive a letter indicating how the charges can be paid. If Amel has submitted her application by post or in digital form, she must go to an IND desk within two weeks to have biometric data taken.\footnote{Information provided by the Ministry of Justice and Security on 30 April 2019. This is an estimate made on the basis of experience and was therefore not generated from figures.} The IND will then check whether all information and documents needed for the assessment of the application have been received. Afterwards, the IND will take a decision on the application, for which advice will be obtained from the Netherlands Enterprise Agency (RVO).

5. How long would it take for the person to obtain the permit?

The IND is required by law to take a decision on Amel's application for a start-up residence permit within 90 days, provided all required documents have been submitted. There is a possibility to extend this period.\footnote{Section 25, subsection 2 of the Aliens Act (Vw) 2000.}

The current estimated processing time for the start-up residence permit is usually 7 weeks, in the event that the facilitator has already been recognised by the Netherlands Enterprise Agency (RVO).\footnote{Section 25, subsection 2 of the Aliens Act (Vw) 2000.} In the event that the facilitator has not yet been recognised by the Netherlands Enterprise Agency, this takes longer.

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

1. What are the migratory pathways (visas/residence permits) available?

1. Residence permit for Sergey

Sergey can apply for a residence permit for start-ups (to obtain this, however, he must find a mentoring party (facilitator) in the Netherlands that is willing to mentor him) or the more general residence permit for self-employed persons. For both permits he also needs to apply for a provisional residence permit (MVV) (unless he is comes under an exemption category, but persons of Belarussian nationality are initially subject to the obligation to have a provisional residence permit) or a short-stay visa as far as the start-up residence permit is concerned, in order to enter the country.

As Sergey has already set up a company, he will probably apply directly for a residence permit for self-employed persons (provided he meets the requirements). If in fact he applies for a start-up residence permit, he must enter into a cooperation and mentoring process with a facilitator. As he is already in a more advanced stage (in the sense that he has already set up a business), he might not consider any obligations and involvement of a facilitator desirable.

2. Residence permit for personnel

Personnel can enter by way of the highly skilled migrant scheme (for which they must meet a wage criterion, namely €3,299 gross per month for highly skilled migrants under the age of 30, and €4,500 gross per month for knowledge migrants 30 years of age or older). In addition, a residence permit with ‘work in paid employment’ as its residence purpose is a possibility as well, for which a work permit (TWV) is required. But in that case Sergey will still have to demonstrate first that he cannot find any personnel for those jobs in the Netherlands or EU.

If Sergey comes to the Netherlands via the start-up scheme, personnel may possibly make use of the start-up scheme. This can be done only if they are registered with the Chamber of Commerce as directors/officers. For this purpose the personnel must also have active control in the country as directors or officers.

2. Would the person qualify for the permit and if yes, under what specific conditions?

Sergey would quality for these residence permits if he meets the following conditions (as referred to in the first case of Vihaan).

1. For the residence permit for start-ups these are: presentation of a step-by-step plan, the product or service must be innovative, there must be cooperation with a facilitator, entry in the Commercial Register of the Chamber of Commerce (KVK) is necessary and, in addition, Sergey must have sufficient income available.

2. For the residence permit for self-employed persons these are: entry in the Commercial Register of the Chamber of Commerce, sufficient income, possession of all permits needed for practising a profession or running a business, and the activities must have essential importance for the Dutch economy (which is determined on the basis of a point system).

3. Which authority would assess the eligibility of the applicants?

The IND assesses applications for residence permit, on which the Netherlands Enterprise Agency is asked to give advice. (see also Q15 (1)).

4. What is the application process

If Sergey wants to apply for a start-up residence permit, the facilitator can submit the application in digital form. Sergey can also submit the applications for his residence permit and the provisional residence permit at the same time himself at the Dutch Embassy in Belarus. Biometric data are taken at
5. How long would it take for the person to obtain the permit?

The IND is required by law to take a decision on Sergey's application for a start-up residence permit within 90 days, provided the required documents have been submitted. There is a possibility however to extend this period. The current estimated processing time for the start-up residence permit is usually 7 weeks, in the event that the facilitator has already been recognised by the Netherlands Enterprise Agency (RVO). In the event that the facilitator has not yet been recognised by the Netherlands Enterprise Agency, this takes longer.

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

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

1. What are the migratory pathways (visas/residence permits) available?

Auri can apply for a residence permit for start-ups, for which she must however find a mentoring party (facilitator) in the Netherlands, or the more general residence permit for self-employed persons.

If however Auri maintains her main purpose of stay, and still finishes her PhD in the Netherlands as a ‘researcher’, she may perform entrepreneurial activities at the same time. The condition applicable to this is that she must continue to meet the requirements of her residence purpose as a researcher.

In addition Auri can apply for the residence permit for a ‘year for a highly skilled migrant to find a job’, if she finishes her PhD before she sets up a business. This residence permit can be applied for up to three years after graduation. The job-seeking year gives graduates the opportunity, among other things, to search for a job in the Netherlands for a year, during which entrepreneurial activities may also be developed.

2. Would the person qualify for the permit and if yes, under what specific conditions?

In order to obtain one of these residence permits, Auri must meet the same conditions as referred to in the case of Vihaan (see Q15 (1)).

1. For the residence permit for start-ups these are: presentation of a step-by-step plan, the product or service must be innovative, there must be cooperation with a facilitator, entry in the Commercial Register of the Chamber of Commerce (KVK) is needed and, in addition, Auri must have sufficient income available.

2. For the residence permit for self-employed persons these are: entry in the Commercial Register of the Chamber of Commerce (KVK), sufficient income, possession of all permits needed for practising the profession or running the business, and the activities must be of essential importance for the Dutch economy (which is determined on the basis of a point system).

173 Section 2u, subsection 1 of the Aliens Act (Ww) 2000 and Section 25, subsection 2 of the Aliens Act 2000.
174 Information provided by the Ministry of Justice and Security on 30 April 2019. This is an estimate made on the basis of experience and was therefore not generated from figures.
3. For the residence permit year for a highly skilled migrant to find a job these are: the person may not have possessed this permit earlier on the basis of the same PhD research, the person must have conducted the research as a PhD student, and the research must not have been completed more than 3 years ago.

3. Which authority would assess the eligibility of the applicants?

The IND would assess the application for the residence permit, during which, in addition, the Netherlands Enterprise Agency (RVO) would also be asked to give advice on the residence permits for start-ups and self-employed persons (see also Q15 (1)).

4. What is the application process?

If Auri wants to apply for a start-up residence permit, the facilitator can submit the application digitally. Auri can also apply for the residence permit herself, by sending the application form and the necessary documents to the IND by post or by making an appointment at an IND desk to submit the application in person.\(^{176}\) For the residence permit for a ‘year for a highly skilled migrant to find a job’ she can submit the application digitally as she already resides in the Netherlands (if she were still abroad, this would be done by post). Auri will then receive a letter indicating how the charges can be paid. If Auri has submitted her application by post or digitally, she will have to go to an IND desk within two weeks to give biometric data.\(^{177}\) The IND will then check whether all information and documents needed for assessment of the application have been received. Afterwards, the IND will take a decision on the application, for which advice will be obtained from the Netherlands Enterprise Agency (RVO) if an application has been submitted in relation to the residence permit for start-ups or self-employed entrepreneurs.

5. How long would it take for the person to obtain the permit?

The IND is required by law to take a decision on Auri’s application for a residence permit for start-ups within 90 days, provided all documents requested have been submitted. There is however a possibility to extend this period.\(^{178}\)

The current estimated processing time for the start-up residence permit is usually 7 weeks, in the event that the facilitator has already been recognised by the Netherlands Enterprise Agency.\(^{179}\) In the event that the facilitator has not yet been recognised by the Netherlands Enterprise Agency, this takes longer.

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Section 4: Attracting start-ups and innovative entrepreneurs from third countries

This section examines the measures and incentives to attract TCN start-ups and other innovative entrepreneurs in place in the (Member) States.

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\(^{176}\) The application forms are listed on the IND website (https://ind.nl/werk/P.s/Start-up.aspx).

\(^{178}\) Section 2u, subsection 1 of the Aliens Act (Vw) 2000 and Section 25, subsection 2 of the Aliens Act 2000.

\(^{179}\) Information provided by the Ministry of Justice and Security on 30 April 2019. This is an estimate made on the basis of experience and was therefore not generated from figures.
Q16. Does your (Member) State have specific measures in place to attract start-up founders and innovative entrepreneurs from third countries?

☐ Yes. Please explain briefly here the main measures and complete table in Q18 below:
☐ No

Yes, the Netherlands has specific measures in place to attract start-up founders and innovative entrepreneurs from third countries. These are explained in more detail below and are broken down into (i) specific policy and other measures and (ii) initiatives at executive level.

I. Specific policy and other measures

- **Introduction of the start-up permit**\(^{180}\): as stated under Q7b of the template, starting entrepreneurs were previously not eligible for the self-employment scheme, because they often did not yet have a detailed business plan or enough seed capital. The start-up scheme eases this and therefore directly serves to attract start-up founders and innovative entrepreneurs.\(^{181}\)
- **Hybrid entrepreneurship**\(^{182}\): since 2017 it has been possible for highly skilled migrants, foreign students and foreign researchers to run a business alongside their job or studies. This is intended to facilitate third-country nationals further who, for example, want to found a start-up.

II. Initiatives at executive level

- **Business.gov.nl**\(^{183}\): this is a website where information in English can be found on doing business in the Netherlands. Information for start-ups and potential start-ups can also be found here.
- **StartUp Information Desk (Chamber of Commerce)**\(^{184} \ 185\): this is an information desk established in 2014. It functions as the first-line contact point for start-ups and also for requests for information from abroad. This measure is not only aimed at third-country start-up founders and innovative entrepreneurs, but it does help to facilitate the attraction and retention of this target group.
- **Startupbox**\(^{186}\): a tool for entrepreneurs with innovative ideas that facilitates access to government schemes and shows the way to the most promising government schemes for business financing. The number of users is growing and is now at almost 10,000 visits annually. This measure is not only aimed at third-country start-up founders and innovative entrepreneurs, but it does help to facilitate the attraction and retention of this target group.
- **Possibility of a digital application for the start-up permit**\(^{187}\): in 2018 it was made possible to make a digital application for a start-up visa.
- The Netherlands has also established a **Netherlands Point of Entry** (NPoE)\(^{188}\) at the Netherlands Enterprise Agency (RVO).\(^{189}\) Foreign entrepreneurs who are considering coming to the Netherlands can receive assistance here in applying for a residence permit and get an explanation of the Dutch start-up ecosystem.
- **Holland Branding-lijn Dutch Spirit**: a specific Holland Branding\(^{190}\) (Dutch Spirit) for start-ups was developed, tested and used in 2018 at start-up fairs abroad, for example at the Web Summit in Lisbon, Slush in Helsinki, and CES in Las Vegas. This measure is also aimed at third-country

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\(^{180}\) Answers to Parliamentary Questions “questions about ‘orange carpet’ initiatives and barriers in relation to the attraction of start-ups and scale-ups to the Netherlands” (26 March 2019), pp. 5-6.


\(^{182}\) Answers to Parliamentary Questions “questions about ‘orange carpet’ initiatives and barriers in relation to the attraction of start-ups and scale-ups to the Netherlands” (26 March 2019), pp. 5-6.

\(^{183}\) For more information see: https://business.gov.nl/contact/netherlands-chamber-of-commerce/

\(^{184}\) For more information see: https://business.gov.nl/contact/netherlands-chamber-of-commerce/

\(^{185}\) Answers to Parliamentary Questions “questions about ‘orange carpet’ initiatives and barriers in relation to the attraction of start-ups and scale-ups to the Netherlands” (26 March 2019), pp. 5-6.

\(^{186}\) Answers to Parliamentary Questions “questions about ‘orange carpet’ initiatives and barriers in relation to the attraction of start-ups and scale-ups to the Netherlands” (26 March 2019), pp. 5-6.

\(^{187}\) Answers to Parliamentary Questions “questions about ‘orange carpet’ initiatives and barriers in relation to the attraction of start-ups and scale-ups to the Netherlands” (26 March 2019), pp. 5-6.

\(^{188}\) A tool to answer (online) questions and show entrepreneurs the way.

\(^{189}\) House of Representatives, session year 2018-2019 no. 32637

\(^{190}\) For more information about this measure see Q20b in this template.
Migratory pathways for start-ups and innovative entrepreneurs in the EU

**start-up founders and innovative entrepreneurs** and helps to facilitate the attraction of this target group.

- **Start-up Officers**: A network of Start-up Officers was set up to bring start-ups in contact with the government. These Start-up Officers work at ministries, large municipalities, provinces and implementing organisations. The officers help start-ups with information about cooperation with the government. Think of offering an innovative product or service, questions about laws and regulations, the search for a testing environment or finding network partners. This measure is not only aimed at third-country **start-up founders and innovative entrepreneurs**, but it does help to facilitate this target group.

**Other measures available to start-up entrepreneurs in the Netherlands**

Besides this measure, the Dutch government makes efforts via a number of initiatives to facilitate start-ups (such as possibilities for early financing, StartupDelta, NL Groeit, the Seed Capital scheme, etcetera). Cities also make efforts, for example to develop initiatives to facilitate start-ups and entrepreneurs. These are not mentioned here as these initiatives are part of the general start-up and economic policy of the Netherlands. These schemes are accessible to third-country nationals, but usually only after they have founded their start-up. Because of this they are indeed present, but not specifically aimed at attracting **start-up founders and innovative entrepreneurs** from third countries.

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

- Private sector. If yes, please elaborate how are they involved:

  **Yes**, the private sector is involved in attracting start-ups and innovative entrepreneurs from third countries. In the Netherlands there are different ways in which private actors are involved in attracting start-ups and entrepreneurs. Namely (i) in their role as **facilitator** within the domain of migration law and (ii) within the framework of general Dutch policy to attract start-ups and innovative entrepreneurs to the Netherlands. These will be explained in more detail below.

  **(i) Private actors in the immigration law domain**

One of the conditions for the residence permit (as a start-up) is that start-ups cooperate with a reliable mentor: a facilitator. This is often a private business. This cooperation must be set out in a signed agreement between the starting entrepreneur and the facilitator.

The facilitator offers the starting entrepreneur a tailor-made package, depending on the mentoring that the starting entrepreneur needs. The facilitator helps for example with business operations, marketing, research and searching for investors for setting up the innovative company. From that point of view the facilitator, which can be a private business, is closely involved in attracting start-ups and innovative entrepreneurs.

  **(ii) Private actors in general Dutch policy**

Besides the role of private actors in the immigration law domain, other roles can also be described of private actors in attracting start-ups and innovative entrepreneurs from third countries.

An example is that private businesses (such as for example Rabobank, booking.com, Deloitte) are partners of StartupDelta.


192 For more information see this Dutch and English link.

193 See for example question 17a in this template.

194 For more information about which businesses are considered facilitators see: https://english.rvo.nl/subsidies-programmes/residence-permit-foreign-startups/where-find-facilitator

195 For more information on what StartupDelta entails see box 1 in the template.

196 They do so for example by helping with important events in this field, such as StartupFest and Startup24. The aim of StartupFest is for example to bring together start-ups from in and outside Europa. For more information on StartupFest see: https://www.startupfesteurope.com/site/about/faq-startup-fest-europe/
Universities and Higher Education Institutions (i.e. encouraging international students to stay as start-up entrepreneurs). Please elaborate:

Yes, universities and educational institutions are involved in attracting start-ups and innovative entrepreneurs from abroad and third countries (for example by encouraging international students to stay in the Netherlands as start-up entrepreneurs). There are different ways in the Netherlands in which universities and higher education institutions are involved in attracting start-ups and entrepreneurs. These are namely (i) in their role as facilitator within the domain of migration law and (ii) within the framework of general Dutch policy. These will be explained in more detail below.

(i) Educational institutions in the domain of migration law

As described under the preceding question, one of the conditions for the residence permit (as a start-up) is that there is cooperation with a reliable mentor: a facilitator. This can also be an institution affiliated with a higher education institution. Such cooperation must be set out in a signed agreement between the starting entrepreneur and the facilitator. From that point of view the facilitator, which can be an institution affiliated with a higher education institution, is closely involved in attracting start-ups and innovative entrepreneurs.197 For example the Erasmus Centre for Entrepreneurship (division of Erasmus University Rotterdam), the High Tech Campus Eindhoven (Eindhoven Technical University), in Amsterdam the business incubator ACE are recognised as facilitators198 and the accelerator Venturelab North199 of the Groningen University Centre of Entrepreneurship. Here, in an ecosystem with different technology-oriented incubators technical & business development support is given to international start-ups in the context of the start-up permit.

(ii) Educational institutions in general Dutch policy

Besides the role of (higher) education institutions and universities in the domain of migration law, other roles can also be described of (higher) education institutions and universities in attracting start-ups and innovative entrepreneurs from third countries, for example when it comes to encouraging international students to stay as start-up entrepreneurs. This list is not limitative, but a number of examples are explained below:

1. Initiatives of universities themselves, such as the Erasmus Centre for Entrepreneurship (ECE) and IXA/ACE in Amsterdam. The ECE makes efforts for example to bring start-ups and academics together (and everyone who wants to start a business or start-up). IXA and ACE operate on behalf of large knowledge institutions and facilitate international students and researchers in different ways in starting and establishing start-ups and spin-offs from abroad or internationals who, after studies or research, want to establish themselves Amsterdam. For example as facilitator of the start-up visa and training (ACE), advice and mentoring (IXA) and accommodation (Venture Studios).

2. In addition, universities give information on founding a (foreign) start-up, for example via their websites. An example of this is the TU Eindhoven, which does this via their website.201

3. The knowledge institutions also work closely with municipalities and cities. Several examples are explained:

   • Knowledge institutions work together with the Municipality of Amsterdam when start-ups from abroad want to establish themselves round an Amsterdam university (Amsterdam Inbusiness & Startup Amsterdam).202

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197 For more information about which businesses are considered facilitators see: https://english.rvo.nl/subsidies-programmes/residence-permit-foreign-startups/where-find-facilitator
198 Further explanation: as ACE b.v. is owned by several institutions (UvA, VU, HvA and Amsterdam UMC) and is a division of the KTO organisation IXA, it can act as the facilitator for all institutions. A condition for the start-up is that the latter (1) must participate in the business incubation programme and/or (2) must lease space in one of the IXA Venture Studios. For more information see: https://ace-incubator.nl/
199 For more information see: http://venturelabinternational.com/north/
200 For example Indietopia for serious gaming, Innolabs for Agri-Food, chemicals, pharmacy and Entrance for Energy.
201 For an example see: https://www.tue.nl/tue-campus/startupeindhoven/meet-the-startups/#top
202 Written input from VSNU (association of universities in the Netherlands) on 2 May 2019.
• Furthermore, in the context of the ecosystem, universities work closely together with other players such as the University of Groningen, which has formed an umbrella organisation together with Hanzehogeschool and the Groningen University Medical Centre, in which a connection is made with the Northern and International business sector, various Venture Capital funds, with institutions affiliated with the government, such as Founded in Groningen, NOM, Ynbusiness (Friesland), IKBDO (Drenthe) and with EU funds. This provides structure for the international start-ups founded by international staff or that come directly from abroad.

• Even more similar initiatives of Dutch universities and educational institutions are known (e.g. Novel-T in Twente).

4. An important role is set aside for education that is made very easily accessible, for example by the UGCE (Groningen) where, via a chain of activities, international students (relatively overrepresented in participation) already become familiar with the ecosystem at an early stage.

5. Actively using international partners in order to network. In this way the University of Groningen (for example by way of the UGCE Venturelab) via the many international project in the context of Erasmus, EIT, UNIDO and strategic international partners in e.g. India, Ukraine, Russia, Brazil, Argentina, Mexico and other countries, makes connections with the entrepreneurship ecosystems there. This results in new networks for the organisation of a ‘soft landing’ of international start-ups in the Netherlands.²⁰⁴

☒ Local and regional authorities (e.g. cities and regions). Please elaborate:

Yes, local and regional authorities are involved in the attraction of start-ups and innovative entrepreneurs from abroad and third countries.

Explanation: General Policy

Regional hubs play a part in the Dutch start-up and scale-up ecosystem. Examples are the Amsterdam region with a strong position inter alia in creative and internet start-ups, The Hague with The Hague Security Delta, Eindhoven with Brainport Development and Groningen with a strong position inter alia in data services and energy.²⁰⁵ In general, therefore, cities and regions have a role in attracting start-ups and innovative entrepreneurs from abroad and third countries.

In the Netherlands there are different ways in which cities and regions are involved in this process. Several examples are explained below. This list is not limitative, but a number of them are explained below:

Example 1: City Deal Welcome for Talent and Agenda Stad²⁰⁶

To increase the attractiveness of the Netherlands, the ‘City Deal Warm Welcome for Talent’ Report was completed in 2017. The Municipalities of Amsterdam, The Hague, Eindhoven and Groningen, among other municipalities, are involved in the City Deal. The City Deal is part of the policy round Agenda Stad.²⁰⁷

The aim of the City Deal is to increase the power of the Netherlands to attract talent from abroad (such as start-ups), and maintain it permanently on a high level.

The City Deal may well be broader than the start-up scheme alone, but it shows the continuous cooperation between the national government, regions and cities. Consequently, this specifically concerns the role of municipalities as parties directly involved in the development of start-up policy in the Netherlands, also concerning the attraction of start-ups from third countries.

Example 2: Startup Officers²⁰⁸

²⁰³ For example via extracurricular education, entrepreneurship minors, bachelor’s, master’s and PhD accents focused on entrepreneurship in diverse disciplines, holding Venturelab weekends, the student venturelab and the Top student entrepreneurs scheme.

²⁰⁴ For more information see: http://venturelabinternational.com/north/.


²⁰⁷ Agenda Stad is a partnership of the Central Government, cities and stakeholders aimed at enhancing the growth, innovation and quality of life of the Dutch cities. For more information see: www.agendastad.nl
As stated in Q16, in order to give start-ups direct access to the government, a network of Startup Officers has been set up. From the municipalities and provinces, the officers help start-ups with information and show them the way when young entrepreneurs are seeking to cooperate with the government. Think of offering an innovative product or service, questions about laws and regulations, the search for a testing environment or finding network partners and also helping with support in attracting start-up entrepreneurs from third countries.

☐ Other actors. Please elaborate:

**No**, no other actors have been identified in the context of this study, besides the actors already mentioned in Q17a and Q17b.

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

☒ Yes. Please explain:

☐ No

**Yes**, the private sector (such as businesses) cooperates with the Dutch government in attracting start-ups and innovative entrepreneurs from third countries. Two initiatives can be explained here: (i) the role of facilitators in Dutch policy and (ii) various public-private initiatives, such as Invest in Holland Network, Brainport Eindhoven and Rotterdam Partners.

*Explanation (facilitators)*

As stated under Q17a the Dutch government (for example the Immigration and Naturalisation Service (IND) and Netherlands Enterprise Agency (RVO)) cooperate with facilitators, which can be private businesses. The facilitator provides the starting entrepreneur with a tailor-made package, depending on the mentoring the starting entrepreneur needs. The facilitator helps for example with business operations, marketing, research and seeking for investors for setting up the innovative company. From that point of view, the facilitator, which can be a private business, is closely involved in attracting start-ups and innovative entrepreneurs. For a complete list of the facilitators (and with that the private businesses) see the added note.

*Explanation (public-private initiatives)*

Besides the role of facilitators, several other initiatives can be mentioned.

- **Invest in Holland Network**: An example of this is the ‘Invest in Holland Network’, in which the Netherlands Foreign Investment Agency (NFIA) cooperates with regional economic development agencies and various large cities. The network works to provide a continuum of free, confidential support services to new foreign investors, as well as existing foreign investors that already have operations in the Netherlands. It thus extends beyond the attraction of start-up founders alone.
- **Rotterdam Partners**: Rotterdam Partners is a public-private partnership and uses its marketing strategy to provide for a positive and distinctive image of the city. They also promote Rotterdam and the Rotterdam region nationally and internationally. In this way they enthuse and create interest in visitors, businesses and residents in coming to Rotterdam (to establish

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209 Examples are by way of written input presented by the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on Monday 29 April 2019.

210 For more information on which businesses are considered facilitators see: [https://english.rvo.nl/subsidies-programmes/residence-permit-foreign-startups/where-find-facilitator](https://english.rvo.nl/subsidies-programmes/residence-permit-foreign-startups/where-find-facilitator).

211 This list is not limitative. These examples were cited on the introduction of the experts from the Netherlands Enterprise Agency and the Ministry of Economic Affairs and Climate Policy.


214 For more information see: [https://rotterdampartners.nl/partnernetwerk/partnerplan/wat-kunt-u-van-ons-verwachten/](https://rotterdampartners.nl/partnernetwerk/partnerplan/wat-kunt-u-van-ons-verwachten/).
themselves there, also for potential start-up entrepreneurs).

- **Brainport Eindhoven**: a public-private partnership that actively focuses on attracting foreign talent (including potential start-up founders), in cooperation with the market. The organisation develops the regional economic strategy, develops and executes projects, e.g. in the field of internationalisation, education, labour market & entrepreneurship, gives business advice and promotes Brainport Eindhoven at home and abroad. This is about cooperation with private sector businesses (for example Tech companies), but also other parties, such as TU Eindhoven, Fontys Hogescholen, Summa College, Brainport Development and BrightMove.

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

<table>
<thead>
<tr>
<th>Rights</th>
<th>Brief description of the rights granted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilitation to access permanent residence</td>
<td><strong>No</strong>, permanent residence is not directly issued with the start-up scheme. The residence permit work on a self-employed basis (start-ups) is only valid for a year. After this year, the third-country national can move on to the self-employment scheme, after which permanent residence is indeed possible with 5 years' lawful residence in the Netherlands.</td>
</tr>
<tr>
<td>Access to employment</td>
<td><strong>Yes</strong>, the entrepreneur has the right to work (subject to conditions). This is stated on the permit for start-ups: paid employment is only allowed with a work permit (in the Netherlands this is called a 'tewerkstellingsvergunning' - TWV). This means that a third-country national with a residence permit for 'work on a self-employed basis' may work in a start-up only if the employer has a work permit for the third-country national. No work permit (TWV) is needed to work in one's own start-up.</td>
</tr>
<tr>
<td>Possibility to be accompanied by family members</td>
<td><strong>Yes</strong>, the start-up entrepreneur may take his/her family members (partner and children) along (if someone enters the Netherlands under the start-up scheme as well as under the self-employment scheme). The normal conditions for family reunification are applicable.</td>
</tr>
</tbody>
</table>

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215 For more information see: [https://www.brainport.nl/organisatie/voor-entrepreneurs](https://www.brainport.nl/organisatie/voor-entrepreneurs).
216 Brainport Eindhoven encompasses Zuidoost-Brabant and is a partnership of the 21 regional municipalities and businesses and knowledge institutions that are active in this region.
217 The answer to this question proceeds only from the rights under a start-up permit.
218 Immigration and Naturalisation Service (2019) Consulted via [https://ind.nl/werk/Paginas/Start-up.aspx](https://ind.nl/werk/Paginas/Start-up.aspx) on 13 March 2019
219 Immigration and Naturalisation Service (2019) Consulted via [https://ind.nl/werk/Paginas/Start-up.aspx](https://ind.nl/werk/Paginas/Start-up.aspx) on 13 March 2019
220 TWV stands for work permit (tewerkstellingsvergunning). This is a work permit which, after application by and employer and the employee concerned, is issued to a third-country employee who wants to work legally in the Netherlands for a certain period and comes from a country outside the European Economic Area (EEA) of or from any specific EEA countries. The Foreign Nationals (Employment) Act (WAV) regulates the admission of third-country nationals to the Dutch labour market. The starting point of the Act is that the need for workers should be provided for by engaging the labour supply from the Netherlands and the EU/EEA in so far as the free movement of employees is applicable. This is called the ‘prioritised supply’.
221 For more information on family-related migration, see: [https://wetten.overheid.nl/BWBR0012289/2019-03-14#Circulaire.divisieB2](https://wetten.overheid.nl/BWBR0012289/2019-03-14#Circulaire.divisieB7) Consulted on 1 April 2019.
| **Family members allowed to access the labour market** | **Yes,** family members who travel along with the third-country national may enter the Dutch labour market. 222 Under current legislation, partners must have the same indication of work status. In that case they must both work as entrepreneurs. Should they want to work in paid employment, they will then have to apply for a work permit (TWV). |
| **Other rights (please specify)** | **Not applicable.** |

222 For more information on family-related migration, see: [https://wetten.overheid.nl/BWBR0012289/2019-03-14#Circulaire.divisieB7](https://wetten.overheid.nl/BWBR0012289/2019-03-14#Circulaire.divisieB7) Consulted on 1 April 2019.
**II. INCENTIVE MEASURES (refers to governmental, private sector and structural incentives)**

<table>
<thead>
<tr>
<th>Measure</th>
<th>Brief description of the measure</th>
<th>Are the attraction measures campaign-like or permanent measures?</th>
<th>Who implements the measure? (state, private sector, in cooperation etc)</th>
<th>Applies to:</th>
</tr>
</thead>
</table>
| **Facilitations for admission; If yes, please explain what they entail (shortened processing time, reduced documentary requirements etc.)** | Yes, in the Netherlands there are facilities to make admission easier/more efficient. A number of measures are explained below. At this point only the measures specifically aimed at third-country nationals are described.  
   I. A start-up permit: as stated under Q7b and Q16 of this template, starting entrepreneurs often were not eligible for the self-employment scheme because they often did not have a detailed business plan or sufficient seed capital. The start-up scheme introduced in 2015 is a means to ease this and is therefore directly intended to attract start-up founders and innovative entrepreneurs. Possibility to apply digitally for the start-up visa: in 2018 digital application for the start-up visa was enabled. | Permanent measures | Public sector | TCNs only | General |

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223 Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April in The Hague.
224 Answers to Parliamentary Questions “questions about ‘orange carpet’ initiatives and barriers in relation to the attraction of start-ups and scale-ups to the Netherlands” (26 March 2019), pp. 5-6.
225 EMN Netherlands (2014) Admission of third-country nationals for business purposes. pp, 14-15
226 Answers to Parliamentary Questions “questions about ‘orange carpet’ initiatives and barriers in relation to the attraction of start-ups and scale-ups to the Netherlands” (26 March 2019), pp. 5-6.
### Measure  
**Brief description of the measure**

| Access to special funding and investments (e.g. micro-loans) | Yes, in the Netherlands, start-up founders from third countries can make use of special funding and investments (e.g. micro-loans). The Dutch government does not invest directly in start-ups itself, but there are indeed different programmes available from the government that can provide financing.²²⁹ These initiatives are not only aimed at third-country nationals, but are accessible to all start-ups in the Netherlands. This list is not limitative, but several examples can be explained below:²³⁰  

I. *Proof-of-concept funding* (VFF): with a loan from the Proof-of-concept fund (in Dutch: Vroegefase financiering) (VFF) starters and SME companies can examine whether their idea has a chance of succeeding on the market. Proof-of-concept funding is intended to ensure that someone’s idea goes from the plan phase to the start-up phase.  

II. *Seed Capital scheme*: by way of the Seed Capital scheme, the government supports innovative entrepreneurship in the technical and creative sectors. Via this scheme the companies receive help in obtaining venture capital.  

III. *Seed Business Angel scheme*: with the Seed Business Angel scheme, the government can provide financial backing to a maximum of EUR 100,000 in seed capital to innovative companies.  

| Are the attraction measures campaign-like or permanent measures? |  
| Who implements the measure? (state, private sector, in cooperation etc) |  
| Applies to: |  
| TCNs only | General |

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²²⁷ A tool to answer (online) questions and show entrepreneurs the way.
²²⁸ Lower House of the States General, session year 2018-2019 no. 32637.
### Measure

<table>
<thead>
<tr>
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<th>Who implements the measure?</th>
<th>Applies to:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>TCNs only</td>
</tr>
<tr>
<td>government aims to make it easier to invest capital in young, fast-growing businesses. Via the scheme, private funds consisting of 2 investors can borrow a maximum of 1 million euros from the government.</td>
<td>Permanent measure</td>
<td>Private sector</td>
<td>☐</td>
</tr>
<tr>
<td>Co-working and dedicated spaces (facilities for shared use of start-ups/businesses)</td>
<td>Yes, initiatives are known in the Netherlands that enable start-up founders from third countries to work in an office with certain facilities. An example is The StartUp Orgy in Amsterdam, a private initiative in which members who join it can work and meet one another. No government initiatives are known to facilitate this.</td>
<td>Permanent measure</td>
<td>☐</td>
</tr>
<tr>
<td>Access to incubation/accelerator support programmes</td>
<td>Yes, there are incubation/accelerator support programmes in the Netherlands in which start-up founders from third countries can participate. This list is not limitative, but a number of examples can be explained below. These examples pertain to programmes in which start-up founders participate. 1. Startupbootcamp 2. YES! Delft 3. Rockstart</td>
<td>Permanent measure</td>
<td>☐</td>
</tr>
</tbody>
</table>

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231 For more information see: [http://www.thestartuporgy.com/](http://www.thestartuporgy.com/).
232 Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague.
233 As a private initiative is concerned, it cannot be said with certainty whether or not this will remain a permanent possibility.
234 Startup Boot Camp is a three-month accelerator programme in which the accent is on bringing together and promoting promising start-ups. For more information see: [wwwstartupbootcamp.org](http://www.startupbootcamp.org).
235 This tech incubator is for the purpose of helping technological start-ups to put a product on the market as quickly as possible. For more information see: [www.yesdelft.com](http://www.yesdelft.com).
236 This 'start-up academy' helps talented entrepreneurs from within and outside Europe to achieve a fast growth of their starting company. During the programme Rockstart supports a select group of start-ups in starting their business and provides inter alia for business space, intensive guidance by experienced entrepreneurs and a substantial investment. For more information see: [www.rockstart.com](http://www.rockstart.com).
237 Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague.
### Tax incentives

**Brief description of the measure**

Yes, there are tax incentives aimed at entrepreneurs. These can be used by starting entrepreneurs, but are not aimed primarily at this group. This list is not limitative, but a number of examples can be explained below. These examples were mentioned in the interviews with a number of stakeholders:

1. **30% tax facility scheme**:
   - Employees who come from another country to work in the Netherlands (for example from third countries) are faced with additional costs due to residence in a different country (extraterritorial costs). These costs are often reimbursed by the employer. Under the 30% tax facility scheme, if the conditions are met, the employer may give 30% of the salary including the reimbursement tax-free as a specific exemption for the extraterritorial costs, without the actual costs of this having to be entered in the accounts.

2. **Self-employed deduction**:
   - The self-employed deduction is an allowable deduction from the taxable income of entrepreneurs. If someone meets the conditions set, this deduction may be applied on the tax return. Because of the self-employment deduction, the tax assessment (= calculation of how much tax is to be paid) can be lower. This measure does not specifically apply to start-ups, but can indeed be used by them.

As tax measures come under the responsibility of the government, there are no private initiatives.

<table>
<thead>
<tr>
<th>Are the attraction measures campaign-like or permanent measures?</th>
<th>Who implements the measure? (state, private sector, in cooperation etc)</th>
<th>Applies to:</th>
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<tbody>
<tr>
<td>Permanent measure</td>
<td>Public sector</td>
<td>☒ ☐</td>
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<tr>
<td>Measure</td>
<td>Brief description of the measure</td>
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<tr>
<td>Consultation services/facilitators help in networking/accessing networks</td>
<td>Yes, in the Netherlands there are consultation services/facilitators available for start-ups from third countries that help them to build a network. In the Netherlands there is already cooperation with a facilitator at the time of the application procedure (see box 1 and box 2 of this template for more information). The facilitator is viewed as a business mentor and can help for example with support in finding partners and a good network.</td>
<td>Permanent measure</td>
</tr>
</tbody>
</table>
| Training programmes for start-ups | Yes, in the Netherlands start-up founders from third countries can gain access to a training programme for startups. This list is not limitative, but an example can be explained below:  
- NL Groeit: NLGroeit supports entrepreneurs with businesses with a turnover between 1 and 100 million by organising events, peer-learning, trainings, webinars and expert sessions and matching them with mentors who are already a few steps further. NL Groeit is designed by entrepreneurs, but is partly made possible by the Ministry of Economic Affairs and the Chamber of Commerce (KVK). | Permanent measure | Public sector in cooperation with the private sector | ☐ ☒         |
| Financial support to cover administrative and/or staff costs | No, there are no government initiatives to facilitate this. Nor have any private initiatives been identified.                                                                                                           | Not applicable | Not applicable | ☐ ☐         |
| Other special incentives Please add new rows as applicable | Yes, there are several other ‘incentives’ available in the Netherlands that start-up founders from third countries can use. A number are explained below:                                                                 | Both permanent and campaign measures | Public sector in cooperation with the private sector | ☐ ☒         |

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243 Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs & Climate Policy on 2 April 2019 in The Hague.


246 Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague.
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| • **StartUp Information Desk (KvK)**[^247]^[248]: this is an information desk set up in 2014. This functions as the first-line contact point for start-ups, also for information requests from abroad.  
• **StartUpbox**[^249]: a tool for entrepreneurs with innovative ideas that facilitates access to government schemes. The number of users is growing and is now almost 10,000 visits per year.  
• **Startup Officers**[^250]: In order to give start-ups direct access to the government, a network of Startup Officers was set up. These Startup Officers work at ministries, (large) municipalities, provinces and implementing organisations. The officers help start-ups with information and show the way when young entrepreneurs are seeking to cooperate with the government. Think of offering an innovative product or service, questions about laws and regulations, the search for a testing environment or finding network partners. They are also available to start-ups and innovative entrepreneurs from abroad and third countries.  
• **Startup in Residence Programme**: this is an initiative of StartupAmsterdam (Municipality of Amsterdam, Economic Affairs Department).[^251] It is an extensive six-month programme for start-ups, scale-ups, innovative SMEs and social entrepreneurs who have been registered for a maximum of 5 years with the Chamber of Commerce. The participants gain access to a large pool of knowledge and are assisted by experts and experienced mentors. | | sector |

[^247]: For more information see: [https://business.gov.nl/contact/netherlands-chamber-of-commerce/](https://business.gov.nl/contact/netherlands-chamber-of-commerce/)

[^248]: Answers to Parliamentary Questions "questions about 'orange carpet' initiatives and barriers in relation to the attraction of start-ups and scale-ups to the Netherlands" (26 March 2019), pp. 5-6.

[^249]: Answers to Parliamentary Questions "questions about 'orange carpet' initiatives and barriers in relation to the attraction of start-ups and scale-ups to the Netherlands" (26 March 2019), pp. 5-6.


[^251]: For more information see: [https://www.amsterdam.nl/wonen-leefomgeving/innovatie/startup-residence/](https://www.amsterdam.nl/wonen-leefomgeving/innovatie/startup-residence/)
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<tbody>
<tr>
<td></td>
<td>The Municipality makes work space available to the start-ups, and offers the possibility to test new solutions in the city.</td>
<td></td>
<td></td>
<td>TCNs only Gen eral</td>
</tr>
</tbody>
</table>
Q19. Are there any measures to encourage and foster innovative entrepreneurship and start-ups for third-country nationals already present in the (Member) State? (e.g. in the context of integration measures)

Yes, there are measures that relate specifically to allowing third-country nationals who are already in the Netherlands to become entrepreneurs. Two measures can be explained here below:

I. Hybrid entrepreneurship: in order to succeed better in binding talent from outside the EU permanently to the Netherlands, in 2017 the government promised to stimulate ‘hybrid entrepreneurship’. In order to do so, it was made possible for highly skilled migrants and researchers to start their own business in addition to their jobs.

II. Orientation year for highly educated persons: after their studies, students can apply for an orientation year for highly educated persons. In that case they receive a residence permit for a year in order to find a job in the Netherlands as highly skilled migrants. They can also start a business. The job-seeking year is open to everyone until three years after graduation or obtaining a PhD at a Dutch or a Top 200 university. The scheme is also open to researchers.

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

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

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

☐ No.

Yes, the Netherlands undertakes (i) promotional activities and (ii) provides for the dissemination of information.

General
The Netherlands is actively attracting foreign start-ups and start-up founders and innovative entrepreneurs. There are many governmental and other initiatives. Several examples were mentioned by the organisations involved in this study and/or are mentioned in Dutch reports.

Promotional activities (= carrying out activities)

Yes, the Netherlands makes efforts to carry out promotional activities (at home and abroad) for start-up founders and innovative entrepreneurs. Several examples are explained below. This list is not exhaustive.

- Promotional activities of StartupDelta: on the website all initiatives and meetings can be found that there are for start-ups in the Netherlands. Such as StartUpFest referred to under Q17a. In addition they actively report information via their website, which start-up founders and entrepreneurs from third countries can also use.
- The Chamber of Commerce (KVK) and Business.gov have made a webinar ("Starting a business in the Netherlands") about starting a business in the Netherlands, which also deals with start-ups. This webinar can also be found for example on the website of the IND.
- In the context of Dutch Spirit Branding (= promotional marketing of the Netherlands) for start-ups, the Netherlands makes efforts to be seen as an interesting ecosystem, by which foreign start-ups, investors and tech talent are attracted. A toolkit has been developed for this with promotional materials in the form of illustrations, facts, videos

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252 Decree of 27 March 2017 amending the Decree Implementing the Foreign Nationals (Employment) Act (Waz) in connection with some problem areas in relation to the extension of the combined residence and work permit, allowing highly skilled migrants, holders of an EU blue card, academic personnel and students also to work as self-employed persons in addition to their main activities


254 For more information see the website of StartupDelta: https://www.startupdelta.org/.

255 For more information about this see Q17a.

256 For more information see the website of the IND: https://ind.nl/en/work/pages/start-up.aspx.
Dissemination of information (= making information available)

Yes, the Netherlands is actively disseminating information for start-up founders and innovative entrepreneurs. A number of examples are explained below. This list is not exhaustive.

- The IND (public organisation) has a separate page on its website (also in English) for start-up founders and innovative entrepreneurs to show them the way in laws and regulations and procedures for coming to the Netherlands if they want to found a start-up here.\(^{258}\)
- The Dutch National Government is active in supporting and disseminating information for start-ups. In general the Dutch government has set up an English website (the English version of 'Ondernemersplein': Business.gov.nl) to show entrepreneurs their way in the Dutch business climate. Information is provided on this website, for example about schemes, visas, business aspects, news from the Netherlands and webinars.\(^{259}\) It also contains information about and for foreign start-ups and self-employed persons (the website www.business.gov.nl)
- The Netherlands has also established a Netherlands Point of Entry (NPoE)\(^{260}\) at the Netherlands Enterprise Agency (RVO).\(^{261}\) Foreign entrepreneurs who are considering coming to the Netherlands can receive assistance here with application for a residence permit and with introductions into the Dutch start-up ecosystem.

Q20b. Does your (Member) State aim to create a national / regional 'brand' (e.g. visual image, perception, etc.) of the start-up scheme?

☒ Yes. Please explain:
☐ No.

National branding

Yes, the Netherlands is creating a national ‘brand’ (visual image, perception) (i) of the start-up scheme and (ii) the Netherlands as a start-up destination.

Explanation

In the Netherlands there are numerous initiatives to put the Netherlands on the map as a country of destination for start-ups.

Several examples can be named in the creation of national branding, for example by visualising the start-up schedule.

- In 2015 the Ministry of Economic Affairs & Climate Policy made an infographic about the start-up scheme. This can be consulted for example via the website of the Netherlands Enterprise Agency (RVO).
- On different websites, such as those of the RVO and IND, information can be found on the start-up scheme (in English) and about the possibilities an entrepreneur can have in the Netherlands.
- The Ministry of Economic Affairs & Climate Policy in cooperation with the Ministry of Foreign Affairs (BZ) has also developed special start-up branding (“Dutch Spirit Branding”).\(^{262}\) Dutch Spirit Branding for start-ups sees to it that the Netherlands is seen as an interesting ecosystem for foreign start-ups, investors and tech talent. A toolkit has been developed for this with promotional materials in the form of illustrations, facts, videos and presentations.

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257 Answers to questions about ‘orange carpet’ initiatives and barriers in relation to the attraction of startups and scale-ups to the Netherlands (26 March 2019)
258 For more information see the website of the IND: https://ind.nl/en/work/pages/start-up.aspx
259 For more information see the website of the Netherlands: https://business.gov.nl/
260 A tool to answer (online) questions and show entrepreneurs the way.
261 House of Representatives, session year 2018-2019, no. 32637
262 Answers to Parliamentary Questions “questions about ‘orange carpet’ initiatives and barriers in relation to the attraction of start-ups and scale-ups to the Netherlands” (26 March 2019), p. 2
## Regional branding

**Yes,** in the Netherlands regional ‘brands’ (*visual image, perception*) are made about Dutch regions as start-up destinations. It is evident from the City Deal Welcome for Talent Report\(^\text{263}\) that regions are trying to create a ‘brand’ in a way the regional parties find appropriate. An example is StartUpAmsterdam\(^\text{264}\), a public-private partnership, in which all information is available (visualised and online) for the Amsterdam region in the Netherlands to portray the Amsterdam region as a potential startup destination. Anyone who has or wants to begin a start-up, can find all information about the Amsterdam region on a website.

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**Q20c.** Have there been any **evaluations of the effectiveness** of promotional activities in Q20a. carried out?

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

☒ No.

There was nevertheless a general evaluation of general promotional activities that the Netherlands carried out, partly in relation to start-ups, in the City Deal Welcome for Talent Report.\(^\text{265}\) The following emerged from this: (i) The Netherlands had to improve the Holland Branding by providing for central information points; (ii) more efforts need to be made on scouting for entrepreneurial talent abroad and in the region; (iii) regional parties needed to exchange better information with one another on promising foreign entrepreneurs and (iv) better utilisation of the alumni networks of the Netherlands by bringing them in connection with one another.

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

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

☒ Culture. If yes, please elaborate:

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

☒ Other (please specify):

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\(^{263}\) City Deal Warm Welcome for Talent Report (2017), p. 34. One of the recommendations in the report was to place the Netherlands and the regions even better on the map for enterprising talent, for which an important criterion was that the regional brands had to be sufficiently visible.


Hubs and locations for start-ups

Yes, hubs (such as cities) are viewed as one of the factors that influence the attraction of start-up founders/employees.

Positive factors

According to the working group from which the City Deal Warm Welcome for Talent Report arose, it is evident that regional hubs play an important role in the Dutch start-up and scale-up ecosystem. It is recognised in the report that ambitious entrepreneurs are internationally oriented and establish themselves where they have the best chance to succeed in growing. This causes regions and urban regions to compete with one another in attracting talent. According to the writers of the report talent establishes itself where talent already is and successes are achieved. From this position, urban regions notice very directly the advantages of the distribution of knowledge and they are also the first to notice when opportunities are missed to attract and retain foreign talent. Additionally, it becomes evident from the City Deal Warm Welcome for Talent Report that cities play a positive role in attracting start-up founders/employees. After all, start-up founders/employees let their choice to found a start-up in a certain country be determined by the city (e.g. Amsterdam or Rotterdam).

Obstacles

It is not evident from qualitative sources (such as the City Deal Welcome for Talent Report) how the lack of hubs can be an obstacle. Additionally, it is evident as well from Parliamentary Questions that it is not known to what extent foreign start-ups and scale-ups decide not to establish themselves in the Netherlands for these reasons.

Culture

Yes, culture is viewed as one of the factors that affect the attraction of start-up founders/employees.

Positive factors

It is evident from the research from which the City Deal Warm Welcome for Talent Report arose that the target group (including start-ups) look at cultural factors in the Dutch living and working climate (e.g. the availability of culture and international schools). This therefore contributes to the possible attraction of start-up entrepreneurs.

Obstacles

It is evident from the City Deal Warm Welcome for Talent Report that foreign entrepreneurs are not always prepared for the Dutch business culture. This is often experienced as direct and explicit, not hierarchic, aimed at consensus and egalitarian. During this study it became evident that this results in misunderstandings among by the start-up entrepreneur. It is even a possible reason to leave the Netherlands.

Socio-economic factors (e.g. living costs)

Yes, socio-economic factors (such as housing and living costs) are viewed as one of the factors that affect the attraction of start-up founders/employees. It is not known to what extent foreign start-ups and scale-ups decide not to establish themselves in the Netherlands for these reasons.

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267 Think of the Amsterdam region with a strong position in e.g. creative and internet start-ups, The Hague with The Hague Security Delta, Eindhoven with Brainport Development and Groningen with a strong position e.g. in data services and energy. The regional hubs together form one large national start-up hub.
268 For clarification purposes, it has already been established in this national template that there is no lack of hubs in the Netherlands. The influence of the lack of hubs is nevertheless not clear.
269 Answers to questions about ‘orange carpet’ initiatives and barriers in relation to the attraction of start-ups and scale-ups to the Netherlands (26 March 2019)
273 Answers to questions about ‘orange carpet’ initiatives and barriers in relation to the attraction of start-ups and scale-ups to the Netherlands (26 March 2019), p. 4.
Yes, there are other factors that can play a part in choosing the Netherlands (positive factor) or not (obstacles). Several matters are explained below:

- It also emerged from the City Deal Warm Welcome for Talent Report\(^{274}\) that the target group of the study (including start-up founders/employees) looks at factors such as (i) healthcare, (ii) housing market and (iii) accessibility.
- It emerged from the City Deal Warm Welcome for Talent Report\(^{275}\) and the accompanying customer journey analysis that start-ups and scale-ups experience obstacles at different times when someone has started his/her search: (i) for example in searching for information in English about establishment in the Netherlands, (ii) complications concerning the establishment process and the (iii) sometimes long waiting times, (iv) the lack of sufficient assistance, (v) the lack of sufficient information in English about starting a business in the Netherlands once a person is the Netherlands, (vii) the position on the labour market of the self-employed person’s partner (the latter is actually not free on the labour market as is indeed the case for highly skilled migrants) or (viii) on opening a business bank account in the Netherlands.\(^{276}\)
- It emerged as well from the City Deal Warm Welcome for Talent report and the accompanying customer journey analysis\(^{277}\) that, once established in the Netherlands, a person experiences that (i) the quality of life and the (ii) business climate are even better than expected.

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

Challenges were identified in the context of this study in relation to the attraction of start-ups and innovative entrepreneurs from third countries. As the first step in answering this question, evaluation and other reports were examined for challenges. As the second step, in interviews with government and other stakeholders (see boxes 1 and 2 of the template), they were asked about these and other possible challenges. As the last step, in the meeting with the focus group on 18 April 2019, EMN Netherlands discussed the challenges with the various parties.

The following challenge emerged from the evaluation and other reports in relation to the attraction of start-up founders and entrepreneurs:

- **Information on the business climate**

  Answers to Parliamentary Questions\(^{278}\) and the City Deal Warm Welcome for Talent have shown that start-ups (e.g. from third countries) encounter obstacles at different times, for example in searching for information in English about establishment in the Netherlands and the sufficient availability of information in English.\(^{279}\) This was supplemented by the interview\(^{280}\) with the experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy in which it emerged that there is an opportunity to give shape to a bit of branding of and familiarity with our business climate. There is a lot of room for improvement on this point,

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276 Work is now being done on a solution to the latter together with the Dutch Banking Association (NVB) and the large banks. In addition, some of these problem areas have already been solved, inter alia via business.gov.nl and the Netherlands Point of Entry.
277 Answers to questions about ‘orange carpet’ initiatives and barriers in relation to the attraction of start-ups and scale-ups to the Netherlands (26 March 2019).
278 Answers to questions about ‘orange carpet’ initiatives and barriers in relation to the attraction of start-ups and scale-ups to the Netherlands (26 March 2019).
279 Initiatives have already been undertaken in the Netherlands to take on this challenge, such as the establishment of Business.gov.nl (the English-language version of ‘ondernemersplein’), and the Netherlands Point of Entry.
280 Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague.
because they know from entrepreneurs already established here that they were not aware in advance of many positive aspects of the Netherlands as a country in which to establish a business. That, in itself, is a challenge.

Several other challenges emerged in addition from interviews with government stakeholders concerning the attraction of start-up founders and entrepreneurs:

- **Availability and costs of international primary schools**

  It already emerged from the City Deal Welcome for Talent Report that the availability of international schools is an element that potential start-up founders and entrepreneurs consider in their choice of a country. From the interview with the experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy it emerged that for families with children, hoping that they can go to school is a factor also taken into consideration in their decision to establish themselves somewhere. The challenge is that the Netherlands has too little bilingual education during elementary school, owing to which start-ups often have to rely on international schools. Moreover, founders of start-ups usually have less stable financial clout than others. In that case an international school can be very pricey if the founder of the start-up has to finance this him/herself. This is frustrating for parents, which makes it difficult to attract start-up founders and entrepreneurs who find this aspect important. Because too little bilingual education is offered, these entrepreneurs may go to other countries. This aspect plays a part in attracting start-ups as well as in keeping this group in the Netherlands.

- **Competition with other countries to attract start-up founders and entrepreneurs**

  It emerged from the interview with the experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy that competition with other countries is another challenge, namely because many countries want to attract the same talent. It also holds that no one wants a ‘race to the bottom’, in which countries set the requirements as low as possible simply in order to attract as many start-ups as possible. Competition and measures of other countries can cause potential start-up founders and entrepreneurs to choose other countries.

- **Attraction of startups who are searching for capital**

  According to the expert van StartupAmsterdam it is a challenge to attract start-ups who are searching for capital to Amsterdam. The amount of investments and the capital available to start-ups is in fact considerably lower in Amsterdam than in cities such as London and New York. That is why potential start-ups may choose other cities abroad.

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

In the context of this study good practices were identified in attracting start-ups and innovative entrepreneurs from third countries. As the first step in answering this question, evaluation and other reports were examined for good practices. As the second step, in interviews with government and other stakeholders (see boxes 1 and 2 of the template), they were asked about these and any other possible good practices. As the last step, during the focus group meeting on 18 April 2019, EMN Netherlands discussed the challenges with the various parties.

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281 Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague.

282 This is a challenge that is expected to face all or several Member States.

283 Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague.

284 Information provided by an expert from StartupAmsterdam on 8 April 2019.
The following good practices emerged from evaluation and other reports in attracting start-up founders and entrepreneurs:

- **Visibility of the Netherlands**
  It is evident from the answers to Parliamentary questions that the responses from visitors and from the Dutch ecosystem are mostly positive about the broad information (toolkits, presence at fairs, etcetera).\(^{285}\) It also emerged from the interview\(^{286}\) with the experts from the IND and the Ministry of Justice and Security that it is a good practice that there is a lot of information on the subject for entrepreneurs in relation to the visibility of the Netherlands, such as by presence at foreign fairs. This helps to attract start-up founders because in this way, the Netherlands is brought into the picture for potential start-up founders. The experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy also mentioned this in an interview\(^{287}\) as a good practice, for example though an initiative such as StartupDelta and presence at foreign fairs.

In addition, some other good practices emerged from interviews with government and other stakeholders in attracting start-up founders and entrepreneurs:

- **Cooperation with a facilitator**
  It emerged from the interview\(^{288}\) with the experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy that joint actions of the Dutch government with the facilitator is a good practice. For example, joint action to give facilitators the tools to do international scouting works well. The Netherlands Point Of Entry (NPE) acts together with the facilitators, for example by indicating at which fairs NPE will be represented to promote the programmes of facilitators. Sometimes several facilitators also go along to these events, which makes a possible match with parties abroad directly possible.

- **Information in English**
  It emerged from the interview\(^{289}\) with the experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy that it is a good practice that a lot of information is provided in English (for example on the website www.business.gov.nl). This removes a language barrier, which enables the Netherlands to inform the potential start-up founders better. This increases the chance that they will choose the Netherlands.

- **'Snowball effect' of hubs**
  At the time of the focus group meeting on 18 April, another joint good practice emerged, the ‘snowball effect\(^{290}\)’. The snowball effect entails that certain cities in the Netherlands, such as Amsterdam, Eindhoven, Wageningen and Enschede are known as places where many startups are established. These places are known within their respective sectors (Eindhoven, for example as far as tech is concerned), at home and abroad. Because of the snowball effect, there is more of chance that start-ups will choose these places (because start-ups are already present). This enhances the region as a potential start-up destination.

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\(^{285}\) Answers to Parliamentary questions about ‘orange carpet’ initiatives and barriers in relation to the attraction of start-ups and scale-ups to the Netherlands (26 March 2019)

\(^{286}\) Interview with experts from the IND and the Ministry of Justice and Security on 28 March 2019 in The Hague.

\(^{287}\) Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague.

\(^{288}\) Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague.

\(^{289}\) Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague.

\(^{290}\) There is no official term available.
Section 5: Renewal of residence permits/visas and retention measures for start-ups and innovative entrepreneurs

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

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

☒ Yes. Please describe:
☐ No

Yes, it is possible to extend the residence permit with the residence purpose ‘work on a self-employed basis’. Although this is not specifically an extension of the residence permit for start-ups (which is valid for a year), a third-country national can move on to the self-employment scheme via a special, eased scheme. Both residence permits come under the same residence purpose, namely ‘work on a self-employed basis’.

Q23b. If yes, what is the renewal period and are the following renewal options possible:

☒ a time limited extension to a visa/residence permit. Please describe:

Moving on to the eased residence permit for self-employed persons will result in a temporary residence permit. This residence permit is issued for the duration of 2 years (and can be extended again).

☒ a permanent residence. Please describe:

In the Netherlands, a third-country national can apply for a permanent residence period after 5 years of lawful residence in the Netherlands (provided the conditions are met). A starting entrepreneur can therefore apply for a permanent residence permit if he/she had lawful residence for a year on the basis of the start-up scheme and also had four years of lawful residence in the Netherlands before that on the basis of a different residence purpose.

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

In order for the start-up to qualify for transferring on to the self-employment scheme, the facilitator must issue a statement. The facilitator must state that the start-up has completed the mentoring process positively for at least 3 months during residence on the basis of the preceding start-up residence permit. The idea behind this requirement is that in this way, the starting entrepreneur has made plausible that s/he has developed sufficient personal experience in this period and has a sufficiently viable business.

In addition, the other requirements of the self-employment scheme must be met. It is required that the entrepreneur’s work must have essential importance for the Dutch economy. The self-employed person must also independently earn long-term sufficient income.

Moreover, the self-employed person must meet the competency requirements for the practice of the profession or running of the business. The self-employed person must be entered in the Commercial Register of the Chamber of Commerce (KVK).

292 Section 3.58 subsection 1, under c. of the Aliens Decree (Vb) 2000.
294 Government Gazette (Stcrt) 2015, no 712292.
295 Section 3.30, subsection 1, under a. of the Aliens Decree (Vb) 2000.
296 Section 3.30 subsection 1, under b. of the Aliens Decree (Vb) 2000.
For companies in the individual healthcare sector, the additional condition applies that they must be registered in the BIG register (Individual Healthcare Professions).

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

*Yes,* the establishment of the organisation is checked by the responsible parties when the start-up moves on to the self-employment scheme. The Netherlands Enterprise Agency (RVO) checks whether the start-up is still registered with the Chamber of Commerce. In addition, the Netherlands Enterprise Agency examines the statement from the facilitator in which it must be stated that during residence on the basis of the start-up residence permit, the start-up completed the mentoring process positively in at least 3 months. The recognised facilitator is checked beforehand by the Netherlands Enterprise Agency, whereby several conditions must be met in order to be recognised as a facilitator.

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

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

  If the start-up has grown successfully within the period for which the start-up residence permit was issued, the TCN can move on to the self-employment scheme. For this it is required that the facilitator issues a statement in which it states that the start-up has positively completed the facilitator's mentoring process (see Q23c).

  Moving on is possible after at least 3 months of mentoring by the facilitator. This is the extreme minimum.

- Their start-up fails. In this case, please clarify what would happen to the start-up founder and whether there are other visas/residence permits available for the TCNs to remain in your MS:

  If setting up the start-up fails, the innovative entrepreneur's right of residence lapses. Another residence permit must be applied for in order to remain in the Netherlands. In this case, the conditions specifically applicable to that residence permit must be met.

- Their business plan changes after approval:

  In the Netherlands the start-up's business plan does not form part of the Netherlands Enterprise Agency's assessment of the application for the residence permit. The facilitator, which acts as a mentor and might have shares in the start-up, must however be able to agree with the change to the business plan. The facilitator does after all provide mentoring and an investment, because the facilitator sees something in the innovative idea coordinated in advance.

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297 Section 3.30 subsection 1, under c. of the Aliens Decree (Vb) 2000.
298 Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague.
299 For more information see: [https://ind.nl/werk/Paginas/Start-up.aspx](https://ind.nl/werk/Paginas/Start-up.aspx). Consulted on 26 April 2019.
301 Interview with experts of the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs & Climate Policy on 2 April 2019 in The Hague.
If a drastic change has been made to the business plan, the facilitator no longer sees opportunities in the business and decides not to provide any further mentoring, the right of residence will lapse.\footnote{Interview with an expert from Kroes Advocaten on 20 March 2019 in Amsterdam.} Cooperation with a facilitator is after all a condition for retention of the right of residence.

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

- **☑ Simpified renewal process:**

  **Yes,** in the Netherlands a simplified extension procedure of the start-up residence permit applies, because the requirement of the self-employment scheme regarding the point system has been eased (see also Q23C). The statement issued by the facilitator is in fact equivalent to the minimum score of the applicable 'point system'. This makes it easier for start-ups to be eligible for this permit than if they had to meet the conditions for self-employed persons after one year.

- **☑ Tax relief schemes:**

  **Yes,** starting entrepreneurs can make use of tax credits. These credits however do not specifically pertain to start-ups from third countries, but can also be used by Dutch starting entrepreneurs. A possibility exists for instance to use the tax innovation scheme under the Research and Development (Promotion) Act (WBSO). This enables the labour costs of R&D (Research & Development) to be reduced.

  Starting entrepreneurs in the Netherlands can also use the 30% facility for foreign personnel in salaried employment at the starting entrepreneur.\footnote{Tax and Customs Administration (Belastingdienst) (2019). \textit{30\% facility for incoming employees.} Consulted via \url{https://www.belastingdienst.nl/wps/wcm/connect/bidcontentnl/belastingdienst/prive/internationaal/werken_wonen/tijdelijk_in_een_ander_land_werken/u_komt_in_nederland_werken/30_procent_regeling/} on 11 April 2019.} This facility applies to personnel who are EU nationals as well as third-country nationals. This concerns the reimbursement of extraterritorial costs. The employer (in this case the starting entrepreneur) can give a free (tax-free) reimbursement of the extraterritorial costs incurred by the foreign employee. Instead of reimbursing the actual extraterritorial costs, the employer may also reimburse the extraterritorial costs by paying 30\% of the salary, including reimbursement, tax free. Sometimes the foreign starting entrepreneurs him/herself can use this facility as an employee of his/her own business. According to the City Deal Warm Welcome for Talent, the 30\% facility is a facility that start-ups and scale-ups can use to attract internationally qualified personnel.\footnote{City Deal Warm Welcome for Talent (2017), p. 51.}

- **☐ Others. Please elaborate:**

**Q24b. What are the main challenges regarding the retention of start-ups and innovative entrepreneurs in your MS? For each challenge mentioned, please describe a) for whom it is a challenge (policy-maker, organisation, other stakeholders), b) why it is considered a challenge and c) what is the source of the statement – e.g. based on input from experts, surveys, evaluation reports or from other sources (please indicate which ones).**

To answer the question whether there are challenges regarding the retention of start-ups and innovative entrepreneurs from third-countries, as the first step EMN Netherlands studied evaluation and other reports and letters to Parliament. As the second step, in interviews with governmental and other stakeholders (see boxes 1 and 2 of the template), EMN Netherlands asked about the challenges that emerge in evaluation and other reports and about other challenges, if any.
As the third and last step, at the time of the joint meeting on 18 April, EMN Netherlands discussed the challenges with the various parties. Of these, the challenges below can be mentioned for the Netherlands. Some challenges are general challenges for start-ups, so not only for the retention of start-ups established by a third-country national.

From evaluation and other reports and letters to Parliament, the following challenge emerged regarding the retention of start-up founders and innovative entrepreneurs:

- **Information on the Dutch business culture**
  In the City Deal Warm Welcome for Talent Report, the bottleneck emerges as well that foreign entrepreneurs are unprepared for the transition to the Dutch business culture. \(^305\) This can give rise to miscommunication. It is stated in the report that the Dutch business culture is experienced as direct, explicit, non-hierarchic, aimed at consensus and egalitarian. In the interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy these challenges were also mentioned. An expert from the Netherlands Enterprise Agency (RVO) pointed out the fact that that the facilitator plays a mentoring role in this, which causes the challenge to face start-ups and innovative entrepreneurs sooner who come to the Netherlands via the self-employment scheme and therefore do not have a facilitator.

The expert from StartupDelta stated that this challenge specific to TCNs also has to do with access to a network in the Netherlands. The facilitator can indeed play an important role in this, but the facilitator often only knows its own network, which is not automatically the best network for the start-up.

Some other challenges also emerged in addition from the joint meeting and the interviews with government and other stakeholders regarding the retention of start-up founders and innovative entrepreneurs:

- **Accessibility of capital**
  It is evident from interviews with experts from StartupDelta, the Netherlands Enterprise Agency (RVO), the Ministry of Economic Affairs and Climate Policy and StartupAmsterdam that the accessibility of capital can be a challenge for starting entrepreneurs. \(^306\) In a Letter to Parliament from the Ministry of Economic Affairs and Climate Policy from 2018 it is stated that the capital invested per start-up is relatively low in the Netherlands, despite an increase in the supply of venture capital. \(^307\) The Genome Global Startup Ecosystem Report from 2017 is referred to in it. In the Letter to Parliament the low amount of capital invested is mentioned as a general obstacle for start-ups and scale-ups in the Netherlands, and not just specifically for start-ups founded by a third-country national.

- **Small market in the Netherlands**
  According to the expert from StartupAmsterdam, the market in the Netherlands is too small for fast-growing start-ups. \(^308\) The expert states in addition that the Netherlands can be a good test market for entrepreneurs, but afterwards their view is focused fairly quickly on other countries.

- **Indication of work status of the entrepreneur and family members**
  Partners of start-up entrepreneurs receive the same indication of work status as the entrepreneur. Partners may therefore perform entrepreneurial activities, but have no further freedom on the labour market. The expert from StartupDelta stated that the indication of the work status of family members is a difficult issue and therefore constitutes a challenge in retaining start-up entrepreneurs in the Netherlands. \(^309\) Entrepreneurs do not know how the can arrange this for their partners on applying for their residence permits. It emerges from the Letter to Parliament ‘Stand van zaken: Startup en scale-up beleid’.

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\(^306\) Interview with an expert from StartupDelta on 1 April 2019 in Amsterdam; Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague; Interview with an expert from StartupDelta on 1 April 2019 in Amsterdam; Information provided by StartupAmsterdam on 8 April 2019.


\(^308\) Information provided by StartupAmsterdam on 8 April 2019.
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(‘State of Affairs: Start-up and scale-up policy’) of 21 December 2018 it is being examined whether the partner of the foreign self-employed person can be given more freedom on the Dutch labour market, by which this bottleneck could be resolved.

- Communication from the government
According to an expert from StartupDelta, the government can communicate better about the eased scheme for moving on from the start-up scheme to the self-employment scheme. It should be clear to entrepreneurs that they actually have three years’ time (one year under the start-up scheme and two years under the self-employment scheme) to grow, whereby an interim evaluation is held after the first year. The assessment leading to the first year is flexible, but this could put pressure on entrepreneurs to achieve. It is evident from the interview with the expert StartupDelta that the first year can be an uncertain period for start-ups.310 The entrepreneurs are busy, among other things with finding accommodation, the accelerator programme and discovering the Netherlands, and therefore have too little time to go through the whole process within a year. The possibility to move on to the self-employment scheme after the first year does however see to it that they have the time needed in order to grow. A start-up entrepreneur then has two following years before the point system of the self-employment scheme has to be satisfied without being able to use the statement by the facilitator (as explained in Q23c). According to the expert from StartupDelta, the Netherlands can communicate even better about this and make a better job of ‘selling’ it.

Another example of communication from the government concerns the information on subsidies. The image behind subsidies is often negative because the idea exists that this is accompanied by many rules and regulations, and many entrepreneurs want to have as little as possible to do with the government. Many entrepreneurs are not aware of the rules of the government (such as subsidies) and this can be communicated better, according to an expert from StartupDelta.

- Provision of information
Moreover, T. de Lange, LLD (university lecturer in Administrative and Migration Law at the University of Amsterdam), an independent scholar who spoke to the stakeholders at the focus group meeting, mentioned that finding clear information about various domains is a challenge for starting entrepreneurs. This concerns information in the public as well as private domain. This is not only about information on the migration aspects, but also, for example about tax matters, municipal charges, integration etc. Information provision is often fragmented and not always available in English. In relation to offering a welcoming climate, more efforts could be made in this context.

Q24c. What are the good practices identified with regard to retention of start-ups and innovative entrepreneurs in your (Member) State? For each good practice mentioned, please describe a) for whom it is a good practice (policy-maker, organisation, other stakeholders), b) why it is considered a good practice and c) c) what is the source of the statement – e.g. based on input from experts, surveys, evaluation reports or from other sources (please indicate which ones).

In order to answer the question whether there are good practices with regard to the retention of start-ups and innovative entrepreneurs from third countries, as the first step EMN Netherlands studied evaluations and other reports. As the second step, in interviews with governmental and other stakeholders (see boxes 1 and 2 of the template), EMN Netherlands asked about the good practices emerging from evaluation and other reports and about any other good practices. As the third and last step, at the time of the focus group meeting on 18 April, EMN Netherlands discussed the good practices with the various parties. From this, the following good practices can be mentioned for the Netherlands:

310 Interview with an expert from StartupDelta on 1 April 2019 in Amsterdam.
Some good practices emerged from interviews with the government and other stakeholders regarding the retention of start-up founders and innovative entrepreneurs:

- **Flexible transition from the start-up scheme to the self-employment scheme**
  In the interview with the experts from the Immigration and Naturalisation Service (IND) and the Ministry of Justice and Security, it was indicated that moving on from the start-up scheme to the self-employment scheme is a **good practice**. Previously, after the first year, the start-up already had to satisfy the point system of the self-employment scheme, which was laborious. The period of one year was considered to be too short for start-ups to grow sufficiently. This has been improved with the current scheme for moving on. According to the experts from StartupDelta the challenge contained in this is that the rules and regulations can entail uncertainty for entrepreneurs. So it should be carefully examined how the possibility to move on from the start-up scheme to the self-employment scheme is communicated (see Q24b).

- **Active role of the facilitator in building the startup's network**
  In the interviews with the Netherlands Enterprise Agency (RVO), the Ministry of Economic Affairs and Climate Policy and StartupDelta, it emerged that the fact that the facilitator can help the starting entrepreneur in building a network in the Netherlands is a **good practice**. The extent to which this is done, however, varies per enterprise and type of enterprise, according to the expert from StartupDelta.

- **The decision to extend the residence permit rests with a market player (the facilitator)**
  The experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy stated in the interview held with them that it is a **good practice** that the decision rests with the market (facilitator) as to whether the residence permits of start-ups will be extended (and they can therefore move on to the self-employment scheme). The facilitator is well equipped to assess whether the start-up has a good chance of success in the market of the product or service. Most facilitators are private businesses, but there are also some regional development corporations, and they know very well what is important for their region. The government also sees to it that the market player is reliable and delivers good work.

- **Support of startups by the government**
  According to the expert from StartupDelta, the relationship between starting entrepreneurs and the government in the Netherlands is good and this can be viewed as a **good practice**. The government does communicate and the government supports start-ups. According to the expert from StartupDelta, this cannot be taken for granted in every country. The fact that the Netherlands is safe, applies rules and has a reliable government plays a part in the ultimate retention of start-ups in the Netherlands.
  An expert from StartupAmsterdam stated in this regard that this also holds for the local support given.

- **A practical example as an illustration: Amsterdam Capital Week**
  As stated under Q24b, finding capital proves to be a challenge for start-up entrepreneurs in the Netherlands. According to the expert from StartupAmsterdam, this also holds for Amsterdam. According to the expert **Amsterdam Capital Week** can serve as a good practical example to provide a solution for this.

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311 Interview with experts from the IND and the Ministry of Justice and Security on 28 March 2019 in The Hague.
312 Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague; Interview with an expert from StartupDelta on 1 April 2019 in Amsterdam.
313 Interview with experts from the Netherlands Enterprise Agency and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague; Interview with an expert from StartupDelta on 1 April 2019 in Amsterdam.
314 Interview with an expert from StartupDelta Delta on 1 April 2019 in Amsterdam.
315 Information provided by StartupAmsterdam on 8 April 2019.
Amsterdam Capital Week aims to bring investors and start-ups better in contact with each other. Each year, 3000 start-ups_SCALE-ups and 500+ investors get together during more than 40 events.

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

☐ Yes. Please elaborate and answer Q24b:

☒ No

There is no information on misuse of the residence permit for start-ups. In interviews held with experts from the IND and the Ministry of Justice and Security it was also stated that there are no signs of misuse of the residence permit.

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

This question is not applicable to the situation in the Netherlands because no misuse of this residence permit is known.

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

No information on this is available.

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

In 2017, the ‘City Deal Warm Welcome for Talent’ Report was drafted (see also Q17a). In this report, the working group, composed of the relevant parties from the field of work, analysed the levels on which the Netherlands can still grow in order to make the Netherlands even more attractive to foreign entrepreneurs. The report contains recommendations in different areas. Recommendations were also made for instance concerning the application procedures for residence permits in relation to self-employed persons. This also dealt specifically with the start-up residence permit.

**Disadvantages of the start-up residence permit**

In the City Deal Warm Welcome for Talent Report, a number of disadvantages of the start-up residence permit were mentioned. For instance, according to the report there only a limited number of approved facilitators. In addition, it is a disadvantage that the application for the possible facilitator has to be combined with the application for the residence permit for the starting entrepreneur. It is therefore still uncertain if the market player will be approved as a facilitator. It is difficult as well for entrepreneurs to take their personnel along, because only founders and co-founders can make use of the start-up scheme.

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For more information see: [http://capitalweek.amsterdam.nl](http://capitalweek.amsterdam.nl).

Interview with experts from the IND and the Ministry of Justice and Security on 28 March 2019 in The Hague.

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

Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague.

Previously it was only possible for entrepreneurs to come to the Netherlands via the self-employment scheme. But the point system that had to be satisfied was not always suitable for beginners. The specific residence permit for start-ups offers the possibility that proved to be necessary for this category of entrepreneurs. It emerges from the customer journey analysis in the report that the system used in which a business acts as the mentor (the facilitator) of the start-up seems to work well. Nevertheless it does not always provide a solution because facilitators have limited capacity for mentoring starters. Facilitators for example hold selection rounds before choosing starting entrepreneurs whom they are willing to mentor. The facilitator may also set conditions on cooperation with the start-up.

**Recommendation**

The report also contains diverse recommendations, for self-employed entrepreneurship in general as well as recommendations aimed more at start-ups. For the start-up scheme, it is recommended for example to introduce a separate application procedure for the facilitator, instead of having to submit this application simultaneously with that of the starting entrepreneur. In this way the foreign entrepreneur already knows in advance which facilitator has been approved. In addition, it can be advantageous for the facilitator already to have been approved as a facilitator on attracting foreign entrepreneurs. A recommendation is made as well to extend the residence permits for start-ups to key personnel.

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323 Key personnel means essential personnel for the start-up stage (initial years) of a startup. For more information see Box 3.
Section 6 Conclusions

This section of the Synthesis Report will draw conclusions as to the (Member) States’ policies and practices related to attracting and retaining start-ups and innovative entrepreneurs.

Q26. With regard to the aims of this study, what conclusions would you draw from your findings reached in elaborating your national contribution? In particular, what is the relevance of your findings to (national and/or EU level) policy-makers?

<table>
<thead>
<tr>
<th>General: existing policy in the Netherlands</th>
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<tbody>
<tr>
<td>It emerged from the previous sections that the Netherlands makes efforts to attract start-ups to the Netherlands and various measures to that effect are being taken. For example the introduction of the start-up residence permit serves to guarantee the accessibility of the Netherlands to starting entrepreneurs. In addition, programmes have been set up to improve the ecosystem for start-ups and scale-ups, and work is being done on the provision of information by the National Point of Entry.</td>
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<td>In the Netherlands many organisations work together in attracting start-ups. It is evident from this template that the organisations actively develop policy. These organisations also evaluate the start-up system, as is evident from the City Deal Warm Welcome for Talent. It is being examined for example whether the start-up residence permit can be extended to key personnel, because this can be an obstacle for start-up founders if they want to have a whole team come to the Netherlands.</td>
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<td>The measures taken and the scheme for the start-up residence permit are still fairly new (in effect since 2015). This for example enables some benefit still to be achieved in the ‘branding’ and familiarity of the Dutch entrepreneurial climate for attracting start-ups from abroad. In the meetings with the experts from different government organisations, it emerged that they are of the opinion that the Netherlands has already taken many steps in organising the system for start-ups.</td>
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<tr>
<td>By means of an eased possibility to move on from the start-up permit to an ordinary residence permit for entrepreneurs, efforts are being made to retain start-ups in the Netherlands. In Dutch policy the facilitator plays an important role in this. Because of the fairly recent entry into effect of the residence permit for start-ups, it is still too early to say anything about the extent to which the Netherlands can really retain start-ups.</td>
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<th>Developments at national and European level</th>
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<td>During the meeting on 18 April 2019 in which the various stakeholders in this study got together, several points were mentioned that could be relevant at national or EU level. They were asked to mention a number of developments that are relevant at national level and in addition could be of added value for the other European (Member) States involved in this study. In addition, several challenges and good practices were mentioned.</td>
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<tr>
<td><strong>National level</strong></td>
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<td>In the context of this study, challenges have been identified regarding the attraction of start-ups and innovative entrepreneurs from third countries. For instance some benefit can still be achieved in the <em>branding</em> of the Dutch entrepreneurial climate. In addition, the competition from other countries is a challenge, as potential founders of start-ups and innovative entrepreneurs sometimes choose other countries because of the measures put in place by these countries. Another challenge the experts involved identified has to do with the business climate. The availability of bilingual primary education is limited in the Netherlands, owing to which start-up entrepreneurs with children often have to rely on pricey international schools.</td>
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<tr>
<td>There are also challenges regarding the retention of start-ups. Challenges for start-ups in the Netherlands are the accessibility of capital and talent (holds for both Dutch and non-Dutch start-ups), as is evident from Parliamentary Papers. It was mentioned as well in the interviews that the Netherlands has a small market, which causes some fast growing start-ups to set their sights quickly on other countries. In addition, foreign entrepreneurs are not always well informed of or prepared for the business climate in the Netherlands.</td>
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Experts view the system in which there is cooperation with commercial facilitators to be very valuable.\textsuperscript{324} This is also evident from interviews with experts, who even call this a good practice.\textsuperscript{325} It emerged from the interviews that facilitators are well equipped to assess whether the start-up has a good chance of success in the market of the product or service. In addition, the facilitator can help the start-up to build a network in the Netherlands.

The experts stated that it would be interesting to see a considerable time after the introduction of the start-up residence permit what the start-up scheme has actually produced for the Netherlands; for example exactly what the start-ups do in the Netherlands and how many jobs result from this. In addition, it would be interesting to study relatively complex issues such as the bonuses added by these schemes in the interests of society.

\textit{European level}

Besides the challenges, good practices were identified that may be interesting to other Member States. For instance, according to the experts, it is a good practice that the Netherlands is actively providing for the dissemination of information about the Netherlands as a potential start-up destination (at home and abroad), for example by attending foreign fairs. In addition, a lot of information and educational material is made available digitally in English. Furthermore, the experts involved mentioned the joint actions of the Netherlands Point Of Entry (NPE)\textsuperscript{326} with the facilitators as a good practice. Because it is indicated for example at which fairs the NPE will be represented and facilitators sometimes go along, follow-up by a possible match with parties abroad is directly possible. This facilitates the attraction of foreign start-ups because contacts are made faster and better with potential start-up founders.

In conclusion, the experts involved in the study stated that it might be interesting to see at European level what a country now gains from a specific residence permit for start-ups (for example the number of jobs and additional economic growth).

\textsuperscript{324} This matter was mentioned during a meeting on 18 April 2019 by the experts of the parties involved in this study.

\textsuperscript{325} Interview with experts from the Netherlands Enterprise Agency (RVO) and the Ministry of Economic Affairs and Climate Policy on 2 April 2019 in The Hague; Interview with experts from the IND and the Ministry of Justice and Security on 28 March 2019 in The Hague; Interview with an expert from Kroes Advocaten on 20 March 2019 in Amsterdam.

\textsuperscript{326} A tool to answer (online) questions and show entrepreneurs the way in the Dutch ecosystem.