

Dublin, Ireland

Migratory pathways for attracting start-ups and innovators: the case of e-Estonia

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Context

- **Demographic challenges:**
 - ageing population
 - decades of emigration
 - skills mismatch
- Reinventing Estonia as **e-Estonia:**
 - the most advanced digital society in the world
 - the world's first digital nation



e-Residency

- Launched in 2014, **e-Residency is a transnational government-issued digital (economic) identity and status that provides access to Estonia's e-services.**
 - Mainly used to establish an Estonian (EU) company online and manage it from anywhere in the world.
- By the end of 2019, over 62,000 e-residents from 160 countries and more than 10,000 companies.





Start-up special regulation

- Launched in 2017
- For founders and employees
- Expert committee of startup leaders evaluates the the companies' compatibility with the start-up definition (**10 days**)
- **Visa up to 548 days, temporary residence permit up to 5 years** (extended up to **10 years**)

*Business entity belonging to a company registered in Estonia, which is starting activity with the purpose to develop and launch such a business model with **high global growth potential, innovative and replicable** that shall significantly contribute to **the development of the Estonian business environment***

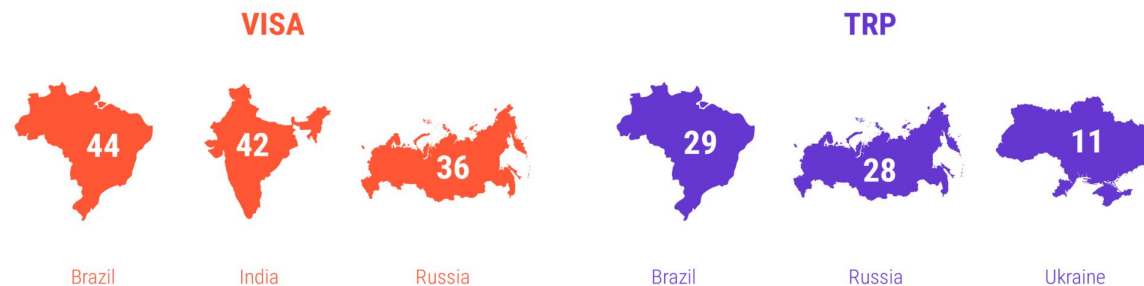
Numbers

- Visas and residence permits issued since launch:
 - Start-up founders: **163**
 - Start-up employees: **928**

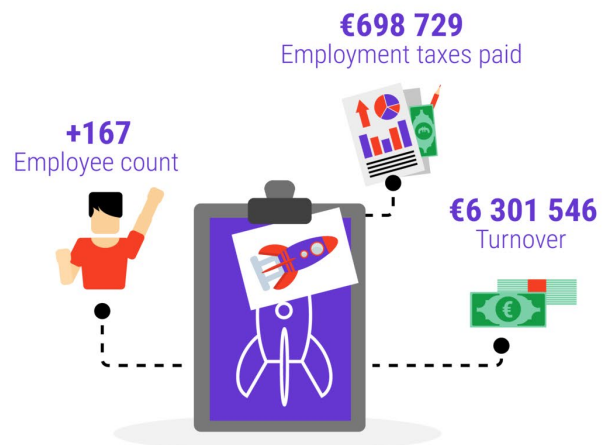
Top 3 countries for **founders**, first half of 2019



Top 3 countries for **employees**, first half of 2019



Facts and figures of startups who have **relocated to Estonia** with Estonian Startup Visa, first half of 2019



Why is Estonia successful?

Immigration policy

- **Founders AND employees**
- **Speed of processing:** 10 days (startup) + 10-30 days (visa) / 2 months (residence permit)
- **Length of stay:** residence permit up to 5 years (extended up to 10 years)
- Preferential treatment for migrants in this category:
 - Exemption from the **immigration quota**
 - Exemption from **investment requirements**
 - Exemption from **salary requirements**
 - Exemption from the **Unemployment Insurance Fund's** permission
 - The individual may also bring their **family** to Estonia
 - Even if startup fails, but the person has been in Estonia for 3 years, the possibility to renew a temporary residence permit on other grounds

Why is Estonia successful?

Business environment

- **Pro-business policies** and the focus on ease of doing business:
 - a company can be established fully online in less than 3 hours (cost € 190)
 - 98% companies established online
 - 99% of banking transactions online
 - no corporate income tax on retained and reinvested profits
 - 14-20% tax on distributed profits
 - taxes can be declared fully online with personal tax declarations taking <3 minutes
- Orientation towards start-ups: One of the highest rates of startups per capita in Europe with an active startup ecosystem

Why is Estonia successful?

Political commitment to e-Estonia

- **Successive governments have been eager to cement Estonia's reputation as a startup miracle** and the most advanced digital society in the world.
 - They've adapted laws to reflect fast-growing companies' needs, but also because it has aligned with the broader e-Estonia story.
 - Startup Estonia works closely with the government.



What's next?

- Political commitment to e-Estonia is waning?
- Yet Estonia is expected to launch **a digital nomad visa** in 2020:
 - Digital nomads are people who work remotely and simultaneously in different countries while traveling around the world.
 - Digital nomadism as a form of business tourism.

Thank you!

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