

ESTONIAN PRACTICES IN ATTRACTING BUSINESS MIGRANTS

9th National Migration Network Conference

„Can you make business in Poland? - Business activity among immigrants – policy and reality”

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POLICY ON FACILITATING FOREIGN INVESTORS AND TALENTS

EE has made the welcoming of international talent a key priority in its policies on immigration.

In several policy documents and programmes (Growth Strategy 2020, Estonia 2020, Made in Estonia 3.0) the need to facilitate the admission of foreign investments and investors is named as a priority of the government. Together with facilitating investments and further develop export sector, the need for highly skilled labour is pointed out.

- Talent strategy 2015-2016 (adopted in April 2015)
- Webpage: WorkinEstonia (Launched in April 2015)
- New adaptation programme for all immigrants (starts in August 2015)

Innovative measures have been adopted to improve the conditions of welcoming foreign employees and executives in EE and to ensure better living and working conditions in the country

- E-residency- Estonia's new plan to make Estonia bigger.

TALENT STRATEGY

WWW.WORKINESTONIA.EE

Aim is to promote Estonia as a destination country for labour and business migrants, by simplifying recruitment, working and adaptation of these labour migrants.

- ▶ Market niche: younger but experienced specialists (age 25-35)
- ICT sector (software developers, senior specialists)
- Manufacturing (engineers, specific knowledge & experience)
- Managers (development, export)
- ▶ Information layer >> Marketing layer >> Job / sector promotion
- ▶ Finland is the 1st country where employment and business opportunities in Estonia are introduced. Ukraine will follow in autumn.

ACTORS AND STAKEHOLDERS

- ▶ Ministry of the Interior and Police and Border Guard Board (immigration and visa policy)
- ▶ Ministry of Economic Affairs and Communication and Enterprise Estonia (general policy to attract business owners and foreign investors). As of 2014 separate Minister on foreign trade and entrepreneurship.
- ▶ Enterprise Estonia, which offers for both Estonian enterprises and foreign investors support in the business.

Enterprise Estonia

Image building

- Promotion activities in Estonia and in target countries
- Marketing materials
- Investinestonia.com
E-Estonia.com, workinestonia.com websites

Consulting and project management

- Providing information and proactive promotion
- Organizing visits
- Establishing contacts
- Recruitment and property advise
- Post-investment/after-care service

Representations:

-Finland, Sweden, Russia, Ukraine, USA, Japan, China, Germany

IMMIGRANT BUSINESS OWNERS

- ▶ The aim of the residence permit for enterprise is to contribute to the establishment of such companies and branches of foreign companies in Estonia and which would significantly contribute to the development of the Estonian economy.
- ▶ There are no restrictions made to foreign investors in which sector or region they can establish their company.
- ▶ Start-up companies- have simpler requirements.

Residence permit for enterprise

Created in 2003

RPE is granted for up to 5 years and it is renewable

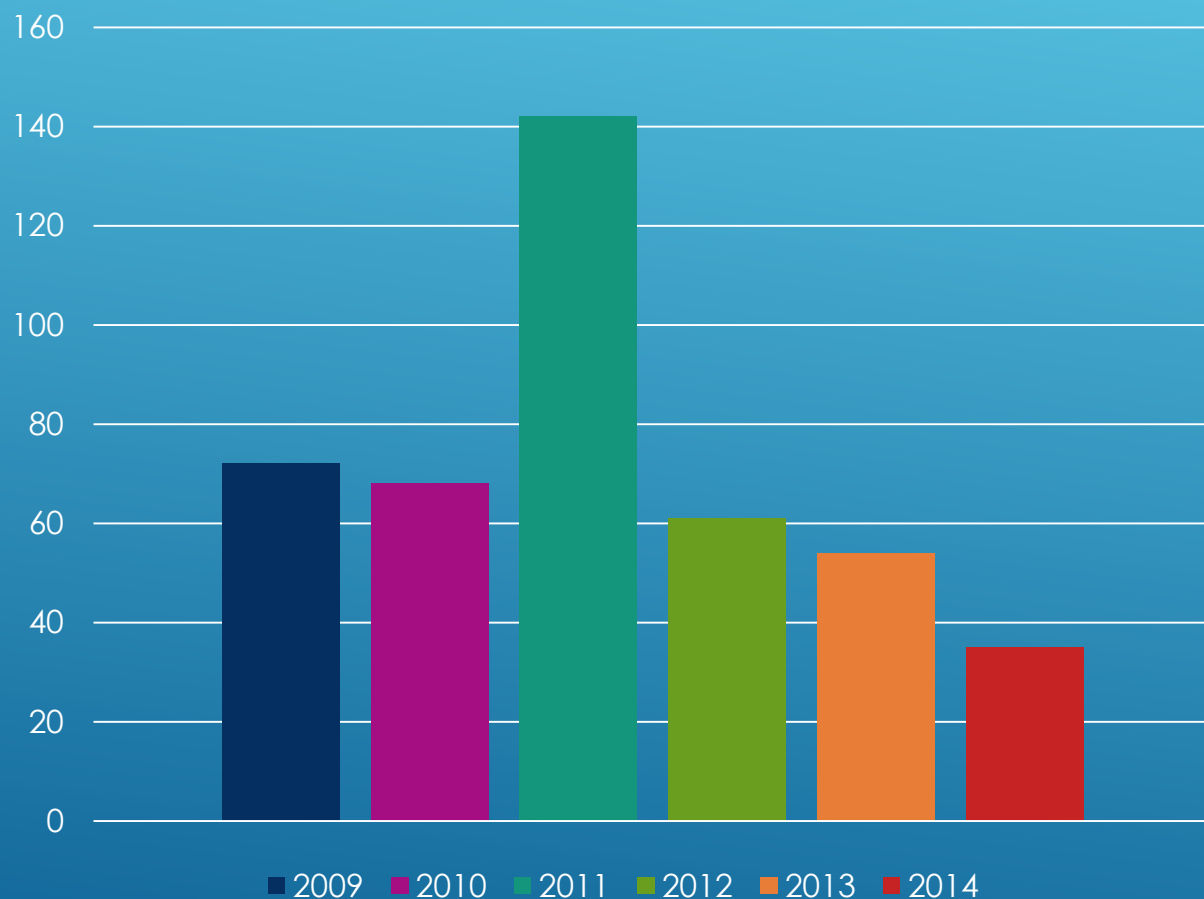
- ▶ Investment at least 65,000 euros per applicant. Self-employed persons 16,000 euros.
- ▶ Start-up companies (started less than 12 months ago & financed by state or a private management company or have received support from a public support measure to start a company) have no minimum investment requirement.
- ▶ Business plan- based on what the contribution to Estonian economy is assessed.
- ▶ Personal health insurance policy
- ▶ Application is submitted at the consulate (some exceptions)
- ▶ Business immigrants go under the annual immigration quota (approx. 90% RPE are issued under the quota system).
- ▶ Residency requirement for at least 183 days per year.
- ▶ Specific advantages for accompanying family (spouse and children under 18)
- ▶ Starting and doing business- same rules as to everyone!

IMMIGRANT BUSINESS OWNER

The decision is made by the Police and Border Guard Board

consulted with an expert body (residence permit commission) created by the Board. Economic experts (from Estonian Unemployment Fund, Enterprise Estonia, Estonian Chamber of Commerce and Industry) are involved in the commission's work to help the case-officer assess the impact of the business to Estonian economy.

First residence permits issued for enterprise



Source: Police and Border Guard Board

RESIDENCE PERMIT FOR ENTERPRISE IN NUMBERS

RPE forms ca 2% of total annual immigration to Estonia from third countries.

80% have been from Russia, 11% from Ukraine.

2/3 are men. Average age: 42.

80% have higher education. Mainly business related: managers, finance etc.

IMMIGRANT INVESTOR

- ▶ No specific admission scheme
- ▶ Admission based on visa (type C or D), or visa free agreements, i.e. common visa rules apply.
- ▶ Starting a business- same rules as to everyone.
- ▶ Possibility to become E-resident (digi-ID).

During the years 2009-2013 visas issued for business reasons constituted 13% of all the visas issued. Visas issued for business reasons have increased 38% over the years 2009 and 2013

2009	2010	2011	2012	2013
13,789	18,158	21,361	23,176	22,192

E-RESIDENCY- THE PLAN TO LET ANYONE BECOME EUROPEAN – DIGITALLY



Estonia is the first country to offer e-Residency - a secure digital identity available to everybody in the world interested in **running a location independent international business online.**

e-Residents receive a smart ID-card to use for:

- secure digital authentication
- digital signing of any documents

This way, the ID-card gives access to digital services which so far have been available only for Estonians.

e-Residency **does not give a citizenship, physical or tax residency. It does not provide any rights of travel and entry to Estonia or to the EU.**



- ▶ Fill in the application (online: apply.e-estonia.com). You come in-person, give biometrics and show own national ID
- ▶ Max. 2 weeks of processing (incl. security check)
- ▶ 50 EUR one-time fee
- ▶ From May 13, 2015 e-Residency can be applied and get the card in Estonian representations **in 34 countries around the world.**

HOW TO BECOME AN E-RESIDENT?

With first 6 months:

3,000 applications from 88 different countries

1,800 cards issued *aka* actual e-Residents out there (Top 3 countries: Finland (34%), Russia (15%), Ukraine (6%))

18,000 potential e-Residents signed up to newsletter

- ▶ Foreign investors - shareholders in Estonian companies
 - Employees and family members
 - Foreigners in companies management boards
 - Foreign specialists in Estonian companies
- ▶ Estonian companies' foreign clients and partners
- ▶ SME companies in Europe and elsewhere
- ▶ Educational sector
 - Foreign scientists
 - lecturers and students
- ▶ Other countries' and international organizations' representatives in Estonia
- ▶ People interested in digital services.

TARGET GROUP



WHY IS E-RESIDENCY USEFUL FOR AN ENTREPRENEUR?

- You can establish Estonian companies online via Company Registration Portal
- You can view your tax accounts and submit online tax returns via e-Tax Board
- You can access all your bank accounts with a single smart card
- You can use Estonian digital signature on any official document,
- You can use free encrypting service with your smart card
- You can use Estonian public services via state portal eesti.ee (e.g. Apply social benefits/services, buy transportation tickets, e-school, e-health)
- You can be part of digital revolution and become an e-Estonian as an early adaptor



Thank you for your attention!

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