

ESTONIAN PRACTICES IN ATTRACTING BUSINESS MIGRANTS AND TALENTS

FI EMN NCP's conference „The attractiveness of Finland as a destination for foreign talent and investments”

13 October 2015

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ATTRACTING SKILLED MIGRANTS AS A POLICY

GOAL: „SMART IMMIGRATION“

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, Government Action Plan 2014-15) 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 (August 2015)
- » Developing/creating a system for forecasting, monitoring and feedback of labour market needs (OSKA).
- » Changes in labour immigration legislation, (2013, 2016), incl.
 - E-residency – innovative way of boosting the economy!

TALENT STRATEGY

WWW.WORKINESTONIA.EE

...aim is to promote Estonia as a destination country for labour and business migrants, by simplifying recruitment, working and adaption 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

- » Online campaigning
- » Organized network activities
- » Information events for employers
- » Campaigns in chosen target markets

Finland was the 1st country where employment and business opportunities in Estonia were introduced. Ukraine will follow in autumn.

Implemented by: Ministry of Economic Affairs and Communications and Enterprise Estonia

96% of Finns living in Estonia would recommend it to others



ALIENS ACT REGULATION ON TOP SPECIALIST

Main characteristics of labour migration: 1) labour market test, 2) minimum salary threshold, 3) immigration quota.

A top specialist can work in Estonia on the bases of short-term employment or on the bases of temporary residence permit for employment.

A top specialist is:

- 1) A TCN who has acquired appropriate professional training in any field and;
- 2) to whom an employer pays remuneration at least equal to the annual average gross monthly salary in Estonia, last published by Statistics Estonia, multiplied by a coefficient of 2 (currently 2010 euros);
- 3) The company where the TCN commences employment has been registered in Estonia for at least 12 months and has a capital of at **least 65,000 euros**, which is invested into business activities in Estonia; or
 - sales revenue of the company is at **least 200,000 euros** per year;
 - the social tax paid in Estonia monthly for persons employed is at least the amount of five times the annual average gross monthly salary in Estonia, at least equal to the social tax paid in Estonia monthly.

CHANGES IN LEGISLATION 2013

- » Fast-proceedings for students, researchers, teachers, lecturers and top specialists (extends to spouses and minor children).
- » Students with a temporary residence permit don't need a working permit.
- » There is a 6 month transition period after the expiry of the residence permit for students.
- » The employer is not required to conduct a 3 week call in order to hire a foreigner.

CHANGES IN LEGISLATION 2016

- » 3 month transition period after the expiry of the residence permit.
- » The government will be able to impose fields where Estonian employers are not obliged to pay a salary of 1,24 times the Estonian average wage and do not have to receive a permission from the Estonian Unemployment Insurance Fund to mitigate structural labour shortages.
- » Facilitating persons to use their knowledge and skills to the maximum in Estonia by allowing them to work simultaneously with several employers.

» The aim of the residence permit for enterprise is to contribute to the establishment of such companies and branches of foreign companies in Estonia 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.

IMMIGRANT BUSINESS OWNERS

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

....consult 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.

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).



The image shows a blurred financial data table with columns of numbers and some text. The text is mostly illegible due to blurring, but some numbers and symbols are visible. The table appears to be a summary of financial data, possibly related to investment or immigration costs, given the context of the slide.

Row	Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8
1	34.49	88.90	12	435.86	435.63	120.58	+6.63	+3.5
2	35.63	34.75	1	54.23	54.33	54.10	-0.33	-2
3	21.87	75.33	7	46.32	46.34	23.64	+1.34	+
4	89.12	12.25	45	88.54	88.90	64.15	+2.90	+
5	34.3	35.63	6	43.45	43.66	43.62	-1.66	-
6	25	21.87	45	12.23	12.86	75.21	+4.86	+
7	6	89.12	7	434.64	434.49	632.55	-7.49	-
8	7	23.43	34	32.21	32.00	12.21	-3.8	-
9	65.25	5		65.75	65.22	23.46	+0	+
10	42.96	12		123.74	123.76	121.51	-	-

BUSINESS MIGRATION IN NUMBERS



1.12.2014- 1.09.2015
4,500 E-residents

Approximately 22,000
business visas per year, i.e.
ca. 13% of total visas
issued.

Source: Police and Border Guard Board

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.**

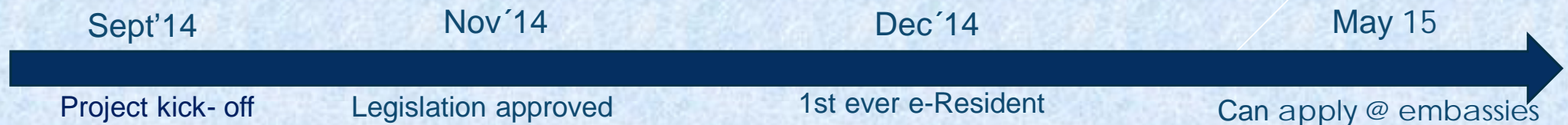


e-Residents receive a smart ID-card to use for:

- 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 10 months:

5,000 applications from 100 different countries

4,500 cards issued *aka* actual e-Residents out there (Top 3 countries: Finland (34%), Russia (15%), Ukraine (6%))

20,000 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)

HASSLE-FREE, SAVES YOU TIME AND MONEY!



What I mean in practise:

<https://www.youtube.com/watch?v=AxwxPnbXf7I>



Thank you for your attention!

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