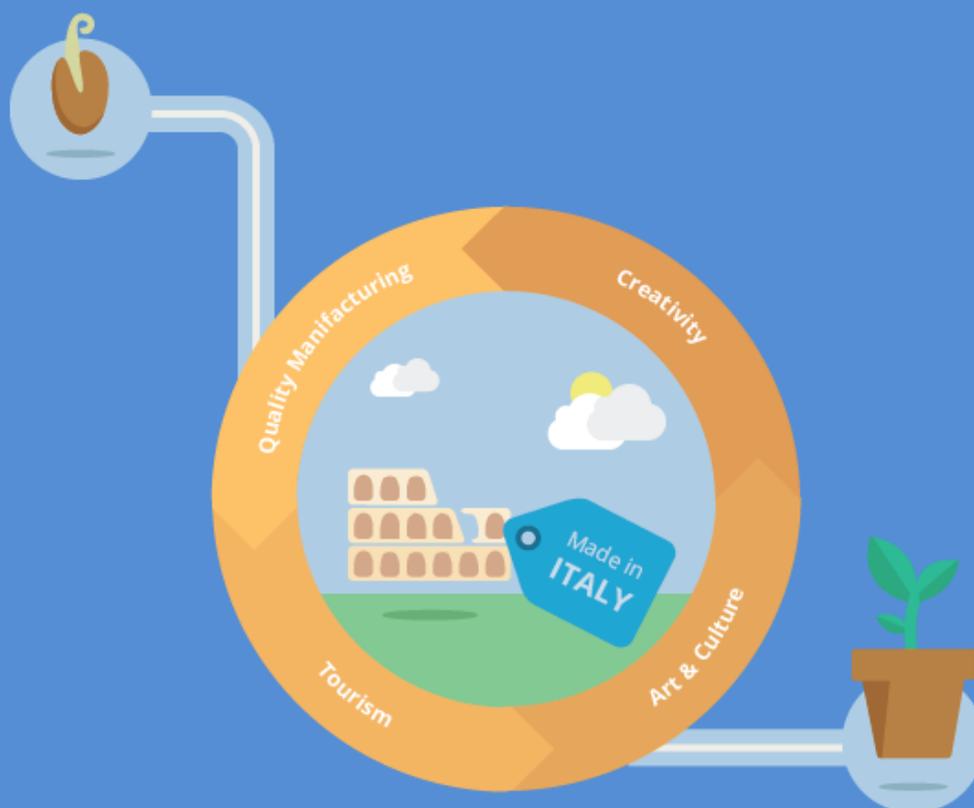


#ISV Survey 2019

Italia Startup Visa Report



January 2020



Italian Ministry of Economic Development

Directorate-General for Industrial Policy, Innovation and SMEs

Division VI — Policies for SMEs, the cooperative movement and innovative startups,
corporate social responsibility and international industrial cooperation

Abstract

In recent years, the Italian Government has adopted a number of ambitious policies to strengthen the national innovation ecosystem. Among these, the so-called Italian Startup Act, introduced in 2012, plays a major role in improving the regulatory framework for innovative firms.

The Italia Startup Visa (ISV) programme for 'migrant entrepreneurship' is part of such broader effort. Launched in 2014, its purpose is to foster the attraction of non-EU hi-tech entrepreneurs to Italy. A fast-track and digital procedure allows them to save time and money when applying for a self-employment visa, individually or in teams.

Since its inception, ISV has been subject to continuous monitoring by the Ministry of Economic Development (MISE). The latest quarterly report issued to date shows that the programme has managed to raise widespread interest worldwide, recording 481 applications from 49 countries.

In order to collect more information on the outcomes of the programme, in summer 2019 the MISE carried out a comprehensive survey addressing all the potential users of the programme (i.e. 232 persons whose application for a startup visa had been assessed positively up to then) through a web-based questionnaire. This report describes the survey's main findings and concludes with a wide set of policy recommendations.

The survey, in fact, shed the light on how individual migration pathways unfold after the issue of the visa, and highlighted the challenges and opportunities met by entrepreneurs once joining the Italian ecosystem. Ultimately, it allowed to assess the strengths and weaknesses of the ISV programme as a whole.

The interviewees' comments and suggestions were carefully analysed by the MISE, in order to draw any meaningful policy implication apt to improve the programme's user experience. The medium-long term objective pursued by this work is to fully exploit the potential of the startup visa, making the national innovation ecosystem even more competitive.

The final recommendations point to the need for an improved communication strategy, in order to attract a larger amount of talents, for a greater involvement of national innovation players, such as incubators and accelerators, and for reinforced support services to the beneficiaries of the programme, also in view of increasing their access to finance.

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Authors and acknowledgments

The survey and the present report are part of the work of the Directorate-General for Industrial Policy, Innovation and Small and Medium-Sized Enterprises (DGPIIPMI) of the Ministry of Economic Development (MISE).

The survey was designed by Mattia Corbetta and Roberto Volpe. The authors of the report are Paolo Carnazza, Mattia Corbetta, Emanuele Parisini, Benedetta Samoncini, and Roberto Volpe. Mattia Corbetta and Roberto Volpe also provided the English translation for the full report. The work was carried out under the supervision of Maria Benedetta Francesconi, Head of Division VI 'Policies for SMEs, the cooperative movement and innovative startups, corporate social responsibility and international industrial cooperation' of the DGPIIPMI.

The co-operation with various public and private organisations was key to achieving this product.

A first acknowledgment goes to MISE's partner administrations in managing the programme: the Ministry of Foreign Affairs and International Cooperation, and in particular its Central Visa Office (DGIT), and the Ministry of the Interior, especially the Directorate for Immigration and Border Police. By sharing their internal statistical sources, they made a decisive contribution to this work.

Special thanks go to members of the ISV Evaluation Committee, i.e. the body in charge of assessing the applications to the startup visa, and to the five associations they represent: PNICUBE, IBAN, AIFI, APTSI and NETVAL.

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Any errors and omissions in this text may be reported to the Ministry via the following e-mail address: info.italiastartupvisa@mise.gov.it.

1. Introduction

The main objective of the ISV programme is to attract entrepreneurial talents from all over the world, encouraging them to establish their innovative firm in Italy.

This initiative is part of a broader policy framework promoted by the MISE to support the national startup ecosystem, the so-called Italian Startup Act ([executive summary](#)).

Launched by the MISE in June 2014, ISV addresses non-EU citizens willing to start, individually or in teams, an innovative startup in Italy. Compared to standard procedures, the issue of a startup visa follows highly simplified rules, thus it results faster.

The main assumption underpinning the programme is that a sustained inflow of foreign talent will make the local entrepreneurial ecosystem more competitive. This, in fact, will benefit from fresh knowledge, new networks, and a higher stock of human and financial capital, with a direct impact on job and wealth creation.

In recent years, the attraction of foreign capital has been at the top of the Italian Government's policy agenda. For instance, the Investor Visa for Italy programme (2017) addresses non-EU nationals willing to invest significant amounts in Italy's strategic assets, including innovative startups. The Investor Visa is based on the most innovative aspects introduced by the ISV programme.

Since its inception, the ISV programme has been subject to continuous monitoring by the MISE. Its main takeaways are publicly reported on a quarterly basis, including: key data analyses on the latest trends and stock of applications, candidates' academic and professional background, their countries of origin, and much more.

In order to collect more information on the outcomes of the programme, in summer 2019 the MISE carried out a comprehensive survey – unprecedented in terms of its scale and complexity – addressing all the potential users of the programme (i.e. 232 persons whose application for a startup visa had been assessed positively up to then) through a web-based questionnaire. The survey had a twofold purpose: (a) tracking in detail the migration pathways of all ISV beneficiaries; (b) collecting evidence and comments on their entrepreneurial experience.

This report includes five chapters and two annexes.

Chapter 2 sums up the functioning and goals of the ISV programme, highlighting its innovative aspects and the major benefits for its participants. It also provides an overview of the main results achieved at 31 December 2019.

Chapter 3 examines the key features of the questionnaire (full text in [Annex A](#)) and outlines several categories of survey respondents, based on their stage of advancement along the ISV pathway.

Chapter 4 unveils the core findings of the survey, focusing on the visa holders' self-assessment of their migratory and entrepreneurial experience. The chapter also presents two ISV success stories.

Finally, [Chapter 5](#) provides a broad range of policy recommendations aimed at strengthening the programme, largely inspired by users' comments and suggestions.

A diagram of the scenarios unfolding from each of the different stages of the migration pathway is presented in [Annex B](#), provide the rationale for the different sections of the survey.

2. The Italia Startup Visa programme

2.1 Rationale for a startup visa

The ISV programme (website: www.italiastartupvisa.mise.gov.it) was launched by the MISE on 24 June 2014¹ with the following goals:

- foster the attraction of human capital from across the world, a key feature of all major global innovation hubs;
- make the national startup ecosystem more competitive through the inflow of knowledge and skills;
- make the national startup ecosystem more integrated into global networks and markets, and improve its reputation abroad – two key factors for attracting foreign capital.²

Several OECD countries have experience with 'startup visa' schemes or similar attraction programmes over the last decade³. Their common assumption is that faster and higher quality procedures for the issue of entry visas can play a major role in attracting 'migrant entrepreneurs'.

According to the goals pursued by these programmes, the inflow and integration of foreign talent can make local communities stronger. For example, innovation ecosystems can benefit from a wider pool of skills, absorb new knowledge and expand their international networks: a process of intercultural 'cross-fertilisation' that bolsters the national business environment, eventually increasing its competitiveness on the global stage.

Indeed, the decisive role of immigration within the entrepreneurial class of advanced countries, and in particular in hi-tech ecosystems, is supported by extensive evidence.

The most striking case is the United States one: according to a study published in 2016, 50 out of 91 technology companies with market value over 1 billion euros ('unicorns') were founded by foreign nationals.⁴ In the Silicon Valley, the presence of non-US qualified labour force is very high (57%), and also the other major US hubs show a significant presence of non-US workers.⁵ In general, in 2017 25% of all partners and employees of enterprises located in the country were citizens of another country.⁶

Similar trends have been reported in various European cities with a strong tech industry. Out of the more than 1.800 startups recorded in Berlin in 2017, 15% had been launched by a foreign national⁷; in London, approximately 21% of founders and shareholders of the companies created

¹ Launch news from the website of the Ministry of Economic Development: [link](#).

² Corbetta M., Menon C., Volpe R. (2018), *Startup italiane in attesa di una svolta*, wash.

³ Beauchamp M., Kruczkowska E. (2016), *Visa Policies for Startups*, Startup Poland.

⁴ Anderson, S., (2016), 'Immigrants and billion dollar startups', National Foundation for American Policy, NFA Policy Brief. URL: <https://www.immigrationresearch.org/system/files/Immigrants-and-Billion-Dollar-Startups.NFAP-Policy-Brief.March-2016.pdf>

⁵ Silicon Valley Leadership Group (2017), *Silicon Valley Competitiveness and Innovation Project — 2017 Report*, February 2017.

⁶ Dubugras, H. (2019), *Why Silicon Valley needs more visas*, TecCrunch.

⁷ KPMG Deutschland (2017), *Deutscher Startup Monitor 2017*, Berlin.

between 2010 and 2014 were not born in the United Kingdom – in about half of the cases, they were born outside of the European Union.⁸

2.2 The innovative aspects of ISV compared to standard visa procedures

ISV provides a fast-track and digital-based procedure for the issue of self-employment visas to non-EU citizens who aim to establish an innovative startup in Italy, individually or in teams.

More in detail, most of the simplifications introduced by ISV regard the assessment phase to which non-EU nationals are subject after applying for a self-employment visa. However, all stages of the ISV pathway have been designed in order for the user to save money and time. Waiting times are shortened and standardised, for the sake of regulatory certainty; the interaction with the various public administrations involved is paperless, while linguistic and other professional intermediation is often unnecessary.

The innovations brought by the ISV programme compared to standard visa procedure can be summarised as follows:

- ✓ **Fast-track:** the procedure is completed within 30 days or fewer;
- ✓ **Centralisation:** the applicant has a single point of contact with the public administration: the Secretariat of the ISV Committee, set up at the DGPIIPMI of the MISE. The Secretariat also ensures coordination with all the administrations in charge both at the central level (Ministry of Foreign Affairs and International Cooperation, and Ministry of the Interior) and at the local level (diplomatic and consular offices, police headquarters, etc.);
- ✓ **Digitalisation:** the entire procedure, as well as any communication between the applicant for a visa and the administration, is carried out exclusively online;
- ✓ **Bilingualism:** any communication with the Secretariat can take place indifferently in English or Italian (this also applies to all forms and any other document to submit);
- ✓ **Free:** applying for a startup visa does not entail any cost.

Another important feature of the programme is the high level of specialisation of the members of the technical committee in charge of the assessment of the applications. The ISV Committee is composed of the chairs (or their delegates) of five key organisations of the national innovation ecosystem: PNICUBE representing university incubators⁹, IBAN for business angels¹⁰, AIFI for Venture Capital Funds¹¹, APSTI for Science and Technology Parks¹² and NETVAL for Technology Transfer Offices¹³. Therefore, Committee members are highly qualified professionals, with sound understanding of the innovation economy and hands-on experience in assessing business proposals.

⁸ Williams, H. (2016), [One in five UK tech start-up founders are immigrants](#), startups.co.uk.

⁹ <https://www.pnicube.it/>

¹⁰ <http://www.iban.it/>

¹¹ <https://www.aifi.it/>

¹² <http://www.apsti.it/>

¹³ <https://netval.it/>

In addition, being part of the DGPIIPMI of the MISE, the Secretariat provides future entrepreneurs with high standard information on the incentives and instruments shaping the Italian Startup Act, i.e. the national policy to support the creation and development of innovative startups¹⁴.

Finally, the Secretariat offers direct support ('help desk') to visa holders in dealing with any administrative problem arising along the migration process and in the early stages of the business activity. Namely, the Secretariat facilitates coordination with the various administrations that might be concerned in case-specific issues (e.g. consulates, police headquarters, business register offices).

2.3 A snapshot at 31 December 2019

Since its first steps, the ISV programme is subject to an ongoing monitoring mechanism, administered by the Secretariat itself. Its main findings are made public through quarterly reports.¹⁵ The latest edition published to date (its 14th) was issued on 31 December 2019, and is available at this [link](#).

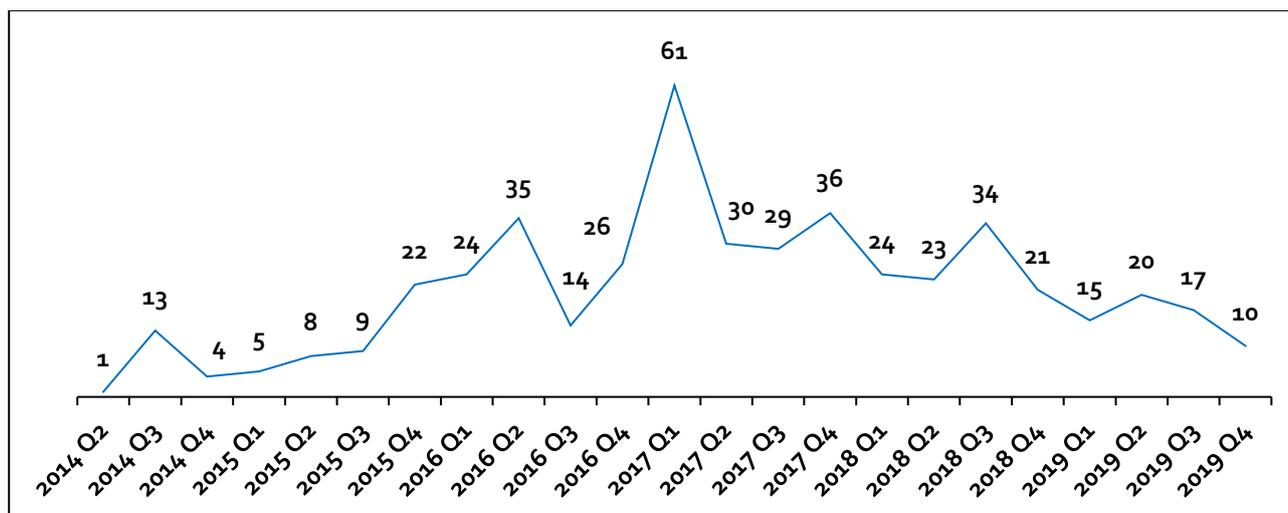
The ISV quarterly reports provide a wide range of qualitative and quantitative information on the outcomes of the programme. As a distinctive mark, they are available both in an Italian and an English version, which makes them a useful tool for the international dissemination of the programme.

On 31 December 2019, over five years after its launch, ISV has recorded 481 applications (Figure 1). Of these, 250 (51.9 %) were successful, resulting in a ministerial '*nulla osta*' (clearance) to the issue of a startup visa.

¹⁴ For further details, see [executive summary](#) of the national policy for innovative startups.

¹⁵ The complete repository is available under this link (<https://www.mise.gov.it/index.php/it/impresa/competitivita-e-nuove-imprese/start-up-innovative/relazione-annuale-e-rapporti-periodici>).

Figure 1 - Number of applications ISV recorded per quarter (Q2 2014 - Q4 2019)



Source: elaborations by the authors based on MISE data

The distribution of visa applicants by country of origin is shown in [Table 1](#). The top-ranking country is Russia, with 107 (almost a quarter of all candidates). China ranks second, with 99 (21 %).

Limiting the analysis to successful applicants, there is a clear prevalence of Russian citizens, which saw their application accepted in 73 cases. China lags far behind (44); other countries report a significant amount of successful applicants are the United States (28) and Ukraine (21). The remaining part comes from 29 different countries, across the five continents.

Table 1 - Number of total applications and applications approved by country of origin

Country of origin	Number of applications	Applications accepted
Russia	107	73
China	99	44
United States	44	28
Pakistan	44	5
Iran	33	12
India	27	6
Ukraine	26	21
Egypt	9	3
Brazil	6	5
Turkey	6	4
Indonesia	6	3
Japan	5	4

Country of origin	Number of applications	Applications accepted
Mexico	5	3
South Africa		
Argentina	4	3
Afghanistan	4	0
DR Congo		
Bangladesh	4	3
Azerbaijan		
Malaysia	3	1
Nigeria		
Australia		
Moldova	2	2
Yemen		
South Korea	2	1
Serbia	2	0
Other countries (Armenia, Belarus, Canada, Israel, Libya, Morocco, Nepal, New Zealand, Taiwan, Thailand)	1	1
Other countries (Algeria, Bolivia, Colombia, Ecuador, Hong Kong, Comoros, Kosovo, Lebanon, Syria, Somalia, Uzbekistan)	1	0

Source: elaborations by the authors based on MISE data

Quarterly reports feature a large wealth of information, including the educational and professional background of the visa applicants, and a regional breakdown of the territories chosen by successful candidates to locate their startup.

With regard to the reported **level of education**, the overwhelming majority of successful applicants can be depicted as **'highly qualified'**: **92.1 %** of them hold a university degree, in approximately two thirds of cases equivalent to a Master's degree – or higher.

As far as their geographical preferences are concerned, **ISV candidates tend to choose locations offering either high quality living standards, or vibrant entrepreneurial communities with a wide offer of incubation or mentoring services (Table 2)**. It should be noted that the territorial distribution of startup visa holders is closely in line with the overall population of innovative startups: Milan is by far the richest hub for tech companies in Italy (2 076 startups active in early January 2020, 19 % of the national population), followed by Rome (1 112 startups, 10.2 %). Conversely, very few visa holders chose to set up their company in Southern Italy.

Table 2 - Province of destination of the startup visa holders

Province	#
Milan	71
Rome	34
Treviso	19
Varese	10
Verona	8
Savona	7
Cuneo, Padua, Turin	6
Brescia, Florence, Grosseto	5
Biella, Como, Trento, Trieste	4
Bergamo, Perugia, Pordenone	3
Bari, Fermo, Foggia, Imperia, Modena, Novara, Pescara, Salerno, Siena, Vicenza	2
Ancona, Bologna, Bolzano, Campobasso, Catania, Cosenza, Forlì-Cesena, Genova, Lecco, Massa-Carrara, Naples, Rovigo, Sassari	1

Source: elaborations by the authors based on MISE data

Finally, quarterly reports contain the **full list** (i.e. names and websites) of the **innovative startups established by the beneficiaries of the programme (currently 40 companies)**.

3. Measuring the effect of the startup visa: the #ISV Survey

3.1 A precedent: 2016's first #ISV Survey

Before delving into the details of 2019's survey, reference should be made to a previous effort of a similar nature, dating back to the onset of the programme.

Launched on 21 April 2016, the first #ISV Survey sought to establish a new form of dialogue with the beneficiaries of the programme and to collect the first evidence on the main steps following the issue of the visa clearance, such as the collection of a visa at the embassy or consulate, the issue of a residence permit and the incorporation of a startup company. These indications had been useful in steering the next steps of the programme.

A substantial difference between the two editions of the survey is their scale: in 2016, only 44 non-EU citizens had received a startup visa clearance. Moreover, considering the embryonic stage of the programme, there was no interest in integrating the survey with additional extensive statistical sources coming from other public administrations (a key feature of the 2019 edition).

In spite of its limitations, the 2016 survey allowed the MISE to collect important information of great use for administrative purposes, such as:

- the substantial absence of problems in the visa withdrawal phase at the consular post;
- the presence of delays and burdens when issuing residence permits;
- language barriers and the lack of information on the regulatory framework as a major obstacle to doing business;
- still limited knowledge of the national policy initiative for innovative startups.

Some concrete actions have been taken in the light of the 2016 survey, including:

- **In September 2016, the launch of a series of specialised online seminars dedicated to startup visa holders** ([link](#)), featuring immigration and company law experts;
- **The introduction by the Ministry of the Interior of an easier and faster procedure for issuing residence permits**, benefiting from the involvement of the Secretariat of the Committee.

A more extensive summary of the main findings of the 2016 survey was included in the [Annual report on the Italian Startup Act for 2016](#), published by the MISE in February 2017 (par. 4.7, pp. 157-159).

3.2 A second large-scale effort: #ISV Survey 2019

In the light of the unprecedented growth in number of applicants and beneficiaries recorded from 2016 on, and aware of 2016's experience, the DGPIIPMI resolved to carry out a new qualitative survey.

The new survey was based upon a structured questionnaire ([Annex A](#)), sent out to beneficiaries during summer 2019. It is divided in two sections: the first attempts to identify the **migration pathways** followed by startup visa holders, including all the administrative stages connected to the stay in Italy (e.g. visa process, issue and renewal of residence permit). The second section of

the questionnaire exclusively targets founders: beneficiaries that managed to set up a company in Italy. The questions investigate their entrepreneurial experience, highlighting the reasons that led to choose Italy as a location for their enterprise, the main difficulties encountered, the existence of relationships with other ecosystem players, access to incentives and public support, funding sources, and so on.

The questionnaire was sent to beneficiaries by email, with a formal communication of the MISE dated 18 July 2019.

Two weeks later, to ensure a high response rate, the ISV Secretariat launched a phone-based outbound campaign, which led to a significant increase in the number of questionnaires submitted. The form was closed to replies on 31 August 2019, as the level of representativeness of the information obtained by core respondent groups was considered satisfactory by then.

While monitoring participation levels, the Secretariat dialogued with the Ministries responsible for the broader immigration process (Foreign Affairs for visas, and Interior for central police headquarters) in order to obtain a complete, up-to-date picture of the administrative information available on survey beneficiaries (for instance, the date of arrival in Italy, or the date and reason for renewal of the residence permit). This allowed to trace, with high precision, the migration pathway of the entire population of startup visa holders, including those who did not reply to the survey.

3.3 Participation rate and classification of respondents

Of the 232 non-EU nationals that obtained an Italia Startup Visa¹⁶, the respondents to the survey were 111, with an overall participation rate of 47.8 %.

From the early first stages of the dissemination, it was clear that the propensity to participate in the survey was significantly different in relation to the state of progress of the migration pathway and the pursuit of its underlying objectives¹⁷.

Indeed, as revealed by the administrative information gathered with the assistance of the Ministry of the Interior and the Ministry of Foreign Affairs and International Cooperation, **the majority of ISV beneficiaries who did not respond to the survey never relocated to Italy on a permanent basis**. On the other hand, those who are domiciled in Italy and have established – or are in the process of doing so – their startup have replied to the survey in most cases.

Based on the pathway they followed, **it is possible to cluster respondents in three categories:**

- a. **'Startuppers': 57 people**. This term – often used by Italian media – refers to non-EU citizens that fulfilled the primary goal of the programme, incorporating an innovative business in Italy. For the sake of simplicity, this category also includes a handful of

¹⁶ As of 30 June 2019.

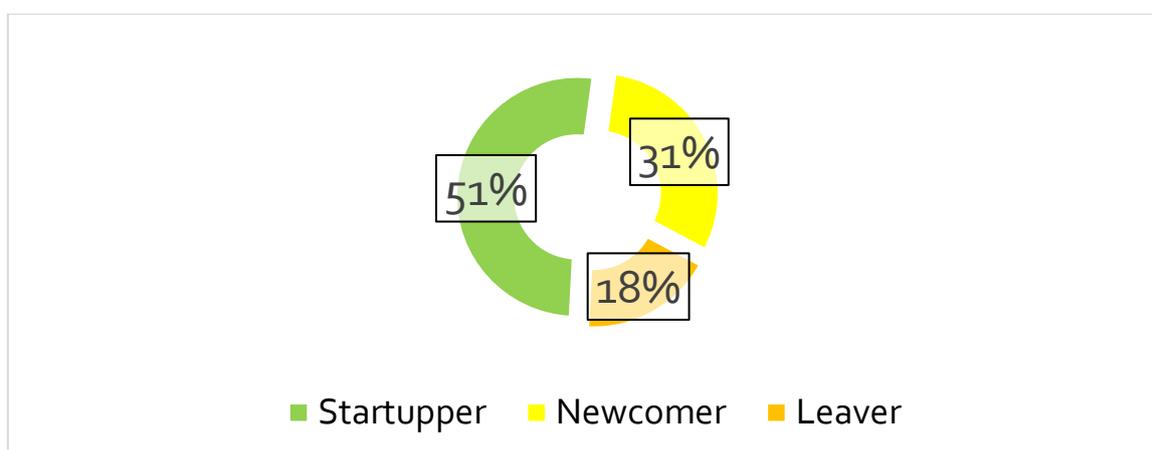
¹⁷ A flow chart outlining the most prominent migration pathways is shown in Annex B. The map takes into account several routes and the junctures that make them depart: the two extremes are, respectively, non-EU citizens who have never collected their entry visa, as they decided not to relocate shortly after getting ISV clearance, and those who are currently operating a successful innovative startup in Italy.

entrepreneurs who started a business not formally recognised as an innovative startup under the Italian law at survey date, as well as those whose business ceased operations or was in the process of doing so.

- b. **'Newcomers': 20 people.** This category mainly includes people that have arrived in Italy very recently, and that are yet to incorporate their innovative company.
- c. **'Leavers': 30 people.** The individuals in this group left the Italia Startup Visa programme, i.e. they departed from their original entrepreneurial proposition. This includes those who decided not to move to Italy after obtaining their visa clearance, as well as the ISV holders who relocated to Italy, but chose not to undertake a business activity.

In short, at the time of the survey, just over half of the respondents (57 out of 111)¹⁸ had set up a business in Italy, regardless of its stage of development. A further 31% was in the process of doing so, while 18% left the programme (**Figure 2**).

Figure 2 — Distribution of survey respondents by category



Source: ISV survey, July-August 2019

More into details of the stage of development of the business activity, the startupper population can be further clustered into three sub-groups:

1. **'Active startupper': 39 people.** This group includes the participants in the programme that have established a company that is operational and registered (at present date or in the past) in the 'innovative startup' section of the Italian Business Register. The latter condition is a requirement to benefit from the public support offered by the Italian Startup Act.

¹⁸ Four startup visa holders are not included in any category, as they submitted an application to join an innovative startup already existing – i.e., they did not establish their own startup in Italy, but joined (cfr. 'Joiners' in Annex B) a company founded by others, a case that is allowed by ISV rules under specific conditions (see [ISV Guidelines](#)).

2. **'Former startupper': 9 people.** These respondents launched an innovative startup in the past, but have wound it up since. Some now live in their country of origin, while others remained in Italy under different residency conditions.
3. **Other entrepreneurs: 9 people.** These beneficiaries relocated to Italy and still carry out business activities, but their business was never formally recognised as an innovative startup. It should be noted that several of these companies have a clear tech component: their failure to register as startups according to law depends in some cases on formalities such as company form (e.g. a sole proprietorship, while innovative startups must be limited companies)

For newcomers, the situation is very uniform: almost all (16/20) have been resident in Italy for less than one year and have not incorporated a startup, albeit reporting to be in the process of doing so.

A more varied picture is the 'leaver' landscape. We can identify three main categories:

1. **'Early withdrawals': 14 people.** These individuals renounced to their intention to move to Italy shortly after getting ISV clearance. This might have happened because the applicant decided not to pursue an entrepreneurial project, or chose to relocate to a different country, in the EU or elsewhere.
2. **'Give-uppers': 13 people.** The beneficiary moved to Italy and obtained a residence permit, but after some time (usually relatively short, e.g. less than a year), decided not to create a startup in Italy. In most cases, people in this group now reside in their country of origin.
3. **'Switchers': 3 people.** A residual category of individuals that have decided not to set up a business in Italy, but that have chosen to remain in Italy anyway. Consequently, in compliance with immigration law, they formally applied to immigration authority for changing their reason to stay. According to data provided by the Ministry of the Interior, this situation is rather common among non-respondents.

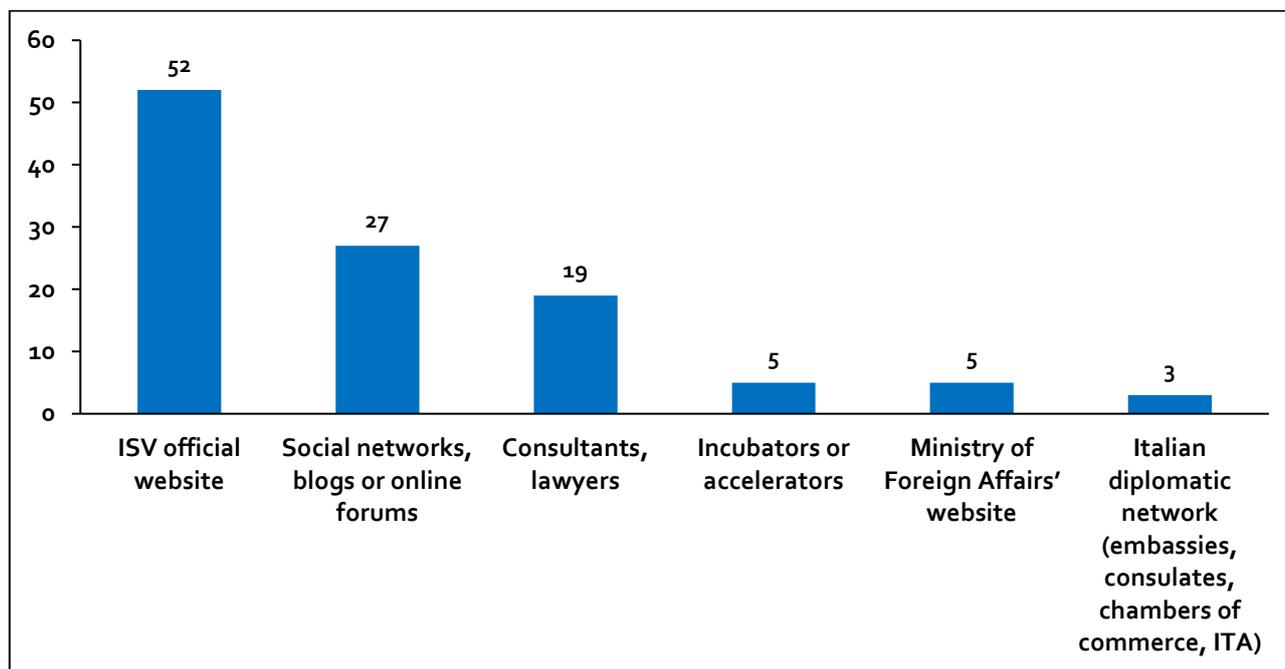
4. Main findings

4.1 The immigration process from a user point of view

The survey distinguishes between different 'progress stages' in the resettlement process of startup visa holders: the **early steps**, the **arrival and settlement in Italy**, and the **business experience** proper.

A first remarkable finding is that more than half of the respondents indicated that **they found out information about the programme on the internet**.¹⁹ Particularly prominent is the role played by the ISV web portal – where all official materials are uploaded (application forms, guidelines) – and the monitoring reports issued by the Ministry. A non-trivial role is played by non-institutional online resources, such as social media, blogs and forums. Other forms of publicity, such as dissemination activities arranged by incubators and accelerators, or the promotional role played by the Italian diplomatic network (embassies, consulates, Italian chambers of commerce abroad, the Italian Trade Agency – ITA), were relevant just for a small number of respondents (Figure 3).

Figure 3 — Main channels through which applicants got to know about ISV (% values; number of respondents = 111)

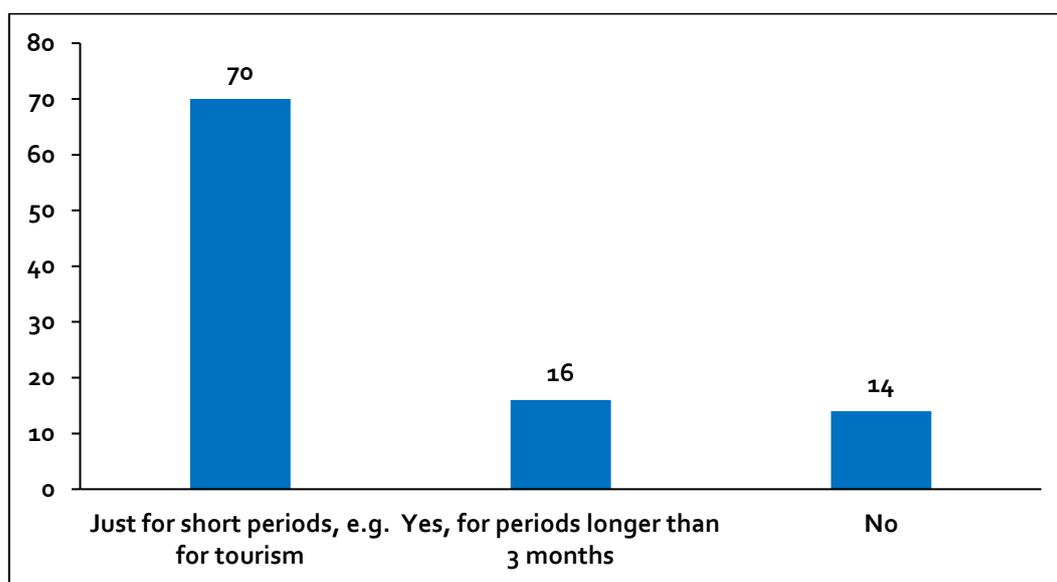


Source: ISV survey, July-August 2019

¹⁹ <https://www.mise.gov.it/index.php/it/impresa/competitivita-e-nuove-imprese/start-up-innovative/Programma-italia-startup-visa>

Over 4 in 5 respondents visited Italy at least once before applying for ISV. A large majority of this group stayed in the country only for short periods – i.e. fewer than three months (Figure 4). This could hint an important contribution of tourism in attracting foreign citizens, as a lever for their relocation to Italy on a permanent basis. Among the interviewees who had spent over three months in Italy before applying for a startup visa, the contribution of former university students is particularly important from a policy perspective.

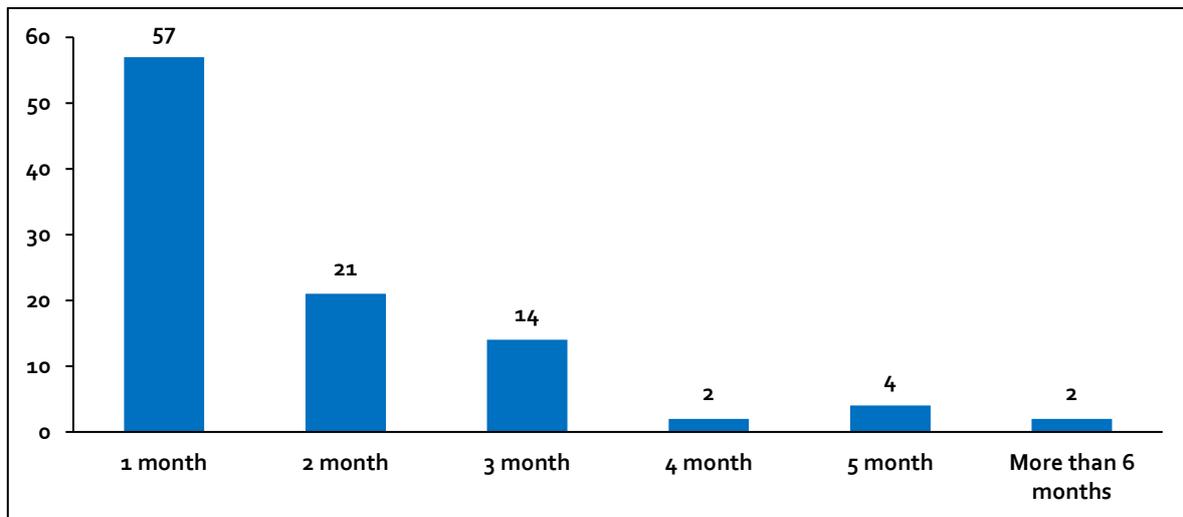
Figure 4 — Previous stays in Italy, before applying for a startup visa (% values; number of respondents = 111)



Source: ISV survey, July-August 2019

Around 57% of respondents reported that the time lag between the issue of a startup visa by the local Embassy or consulate and the relocation to Italy did not exceed one month (Figure 5). This very short time span shows that startup visa holders normally do not encounter any particular difficulty at this stage. Indeed, only 2% of interviewees claim that they had to wait for over six months since their first appointment at the Italian consulate. This evidence confirms that the administrative process for visa issue, as amended and simplified by ISV, is smooth and fit for purpose. Indeed, the short waiting time for the issuance of entry visas are reported by users as particularly positive factors in their migration experience.

Figure 5 — Time lag between visa issue and relocation to Italy (% values; number of respondents = 92)



Source: ISV survey, July-August 2019

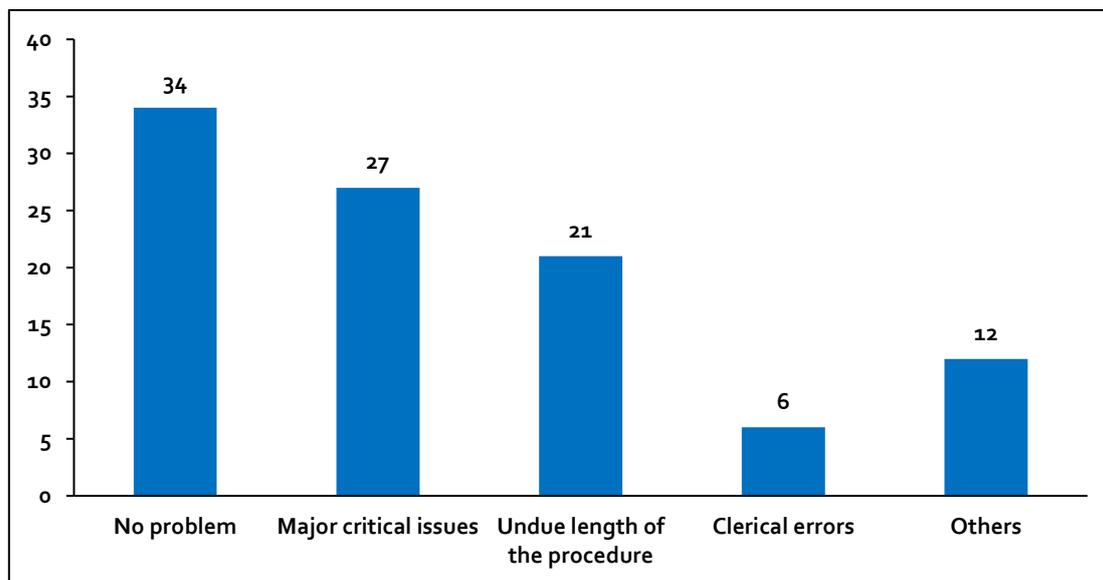
Italian immigration law formally differentiates between the authorisation to enter the country (i.e. the visa) and the permit to stay (*permesso di soggiorno*, residence permit), which must be requested within eight days from arrival, upon registration at the local police headquarters (*Questura*).

Albeit not implying any technical evaluation, the issue of residence permits proved to be a bottleneck for more than half of the respondents. In these cases, the ISV Secretariat often had to act as a facilitator between the concerned public offices and the visa holders, in order to streamline the procedure.

The main problems met at this stage feature **language barriers** between applicants and officials – reportedly a very serious obstacle – and a **limited knowledge of the ISV programme** among immigration police staff. However, it must be noted how these offices operate at a decentralised level, which may lead to inter-agency miscommunication. In addition, being in charge of processing all immigration files in the concerned local area, they often need to cope with a high volume of applications, compared to the size of their workforce.

As a matter of fact, only 34% of respondents did not report any problem at this stage (Figure 6). However, some *Questure*, particularly those based in major cities, could leverage on economies of scales and are now familiar with ISV applicants and the specificities of their files.

Figure 6 — Problems encountered during residence permit issue (% values; number of respondents = 111)



Source: ISV survey, July-August 2019

4.2 The entrepreneurial experience from a user point of view

The second part of the questionnaire was filled out exclusively by the 'startupper' group of interviewees (**57 individuals**), i.e. **those who established an innovative startup in Italy** (see classification given in [paragraph 3.3](#)).

A first important evidence is that almost all the startup founders hold a **university degree**, and half of them have achieved an advanced degree (Master's degree, MBA or PhD).

In line with the national trend, around one in four chose to settle their business in **Milan**, with a few others opting for other cities in Lombardy. There is also a share of ISV-founded startups based in peripheral locations, from an entrepreneurial point of view.

Most firms created in this framework can be described as **digital startups (e.g. software applications)**. In some cases, their business model focuses on **emerging technologies** (e.g. artificial intelligence, Internet of Things). The total annual turnover of the startups founded by ISV beneficiaries amounted to 4 million euros in 2018.

For the majority of respondents, Italy's key attractiveness factor lays on its high living standards (Figure 7). When asked about the main advantages of doing business in Italy²⁰, slightly over half of participants explicitly mentioned aspects such as the perceived fair equality of opportunity, the welcoming attitude shown by the locals, the rich historical, artistic and natural

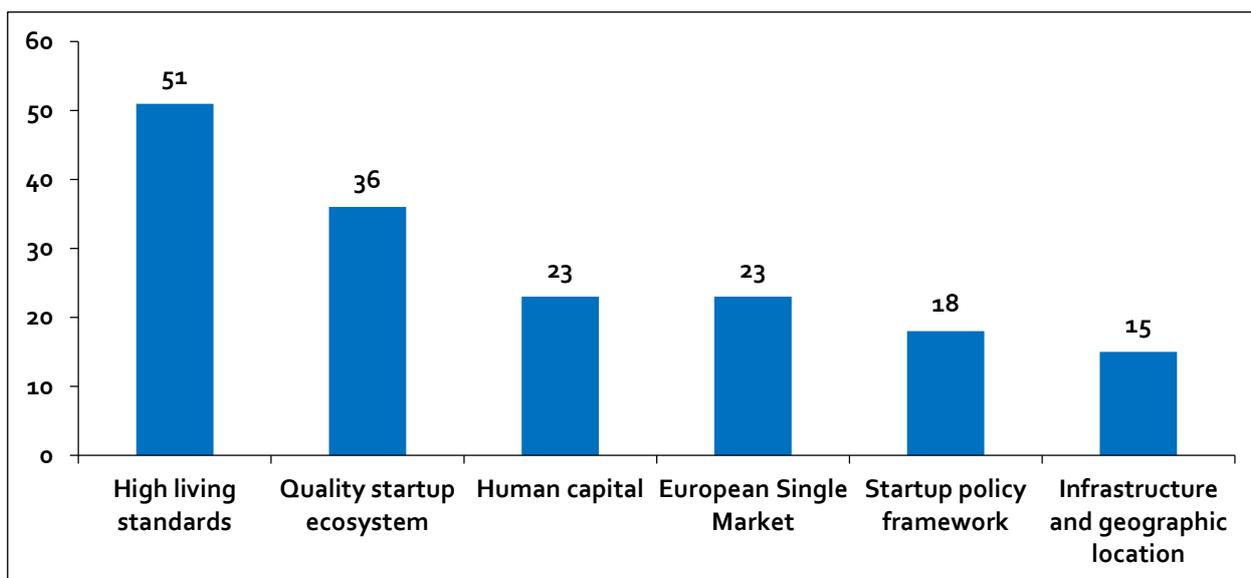
²⁰ The question was posed in an open format, letting entrepreneurs express their view in own words as free-form text. Their submissions were then classified in homogeneous groups, which are here presented in terms of percentage frequencies.

heritage of the country, as well as easy and cheap access to education and high-quality health services.

Besides this, most responses also mention aspects that are closely related to the business dimension. **More than a third of respondents praise the high potential of the Italian startup ecosystem, placing particular emphasis on their positive collaborations with incubators, other innovative companies, and high-level research facilities.** In addition, almost a quarter of interviewees express a favourable assessment on local human capital, i.e. on the availability of a **skilled workforce** in their hosting region: those who have Italian partners or employees describe them as creative and highly qualified. Moreover, especially in some business areas — such as tourism — Italy stands out as a **world-leading market destination**: the opportunities in this respect are mentioned by a third of respondents.

Regulatory aspects also play an important role. **Access to the European single market** and the possibility of selling products without restrictions in the 32 countries belonging to it are cited as key competitive factors by 23% of respondents (**Figure 7**).

Figure 7 — Main benefits of doing business in Italy (% values; number of respondents = 43)



Source: ISV survey, July-August 2019

Although the relationship with Italian bureaucracy is mentioned by many as a critical factor, **several respondents define the obstacles encountered 'not insuperable' and, in many cases, less burdensome than in the country of origin.** As already evidenced, many participants express a positive opinion on the visa issue phase – the one most directly affected by ISV – whereas they claim a worsening of administrative procedures in the following phases.

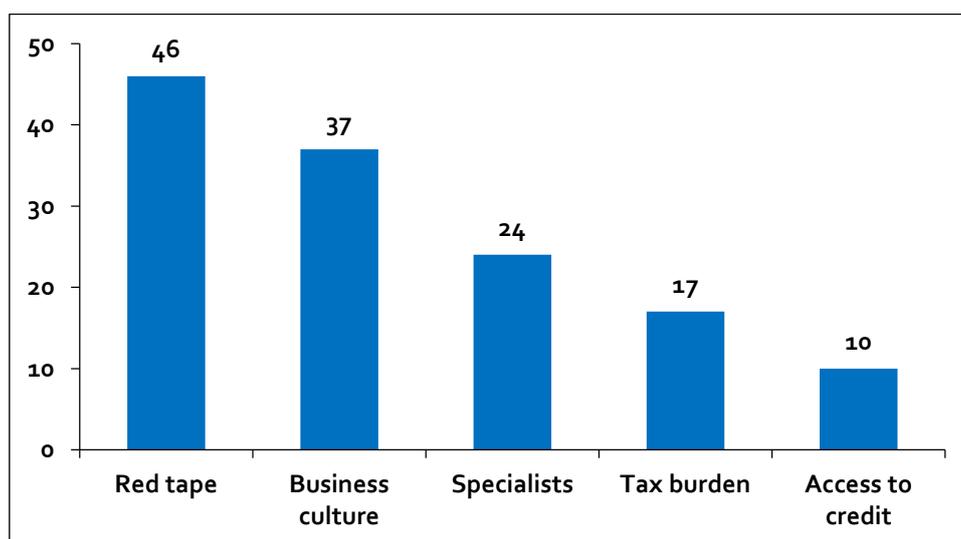
Startup visa holders' claimed that critical aspects experienced in running a business appear to be quite similar to those generally reported by Italian SMEs. The survey investigates them in detail, trying to bring to the fore those aspects that are particularly detrimental for foreign entrepreneurs (**Figure 8**).

A problem experienced by a large share of interviewees concerns the procedures for setting up business. These are described as too burdensome and time-consuming by many.

Another common issue (37% of respondents) relates to differences in entrepreneurial culture. Many startup visa holders encountered obstacles in selling – figuratively and literally – their business ideas and products; others complain about a conservative, risk-averse mentality among potential suppliers and customers. Low propensity to use English in business is also perceived as an issue.

Among the founders of startups at a more advanced stage of development, concerns have been raised about finding specialised professionals (24% of interviewees). In line with a trend common to Italian entrepreneurs, IT developers are few, something that can be attributed in part to brain drain of home-grown talents towards other countries. Finally, other commonly mentioned difficulties are linked to high taxation and barriers to access to finance (**Figure 8**).

Figure 8 — Main difficulties in doing business in Italy (% values; number of respondents = 45)

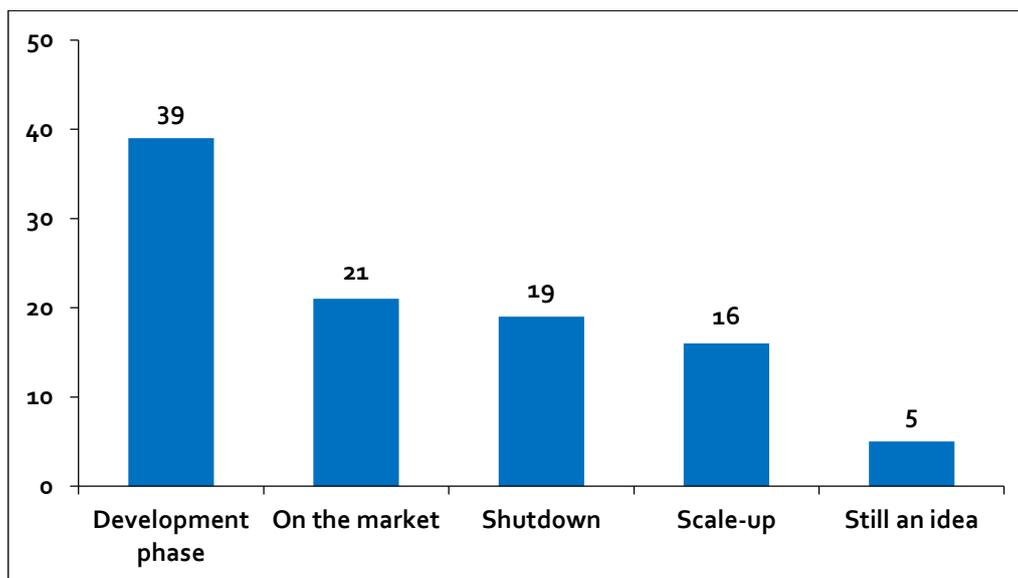


Source: ISV survey, July-August 2019

Innovative startups also suffer from high labour costs and, specifically transnational teams, difficulties in recruiting qualified employees from the countries of origin. **In fact, the special procedure introduced by ISV applies to entrepreneurs only, and there is no comparable national programme dedicated to non-EU employees.**

The survey also asked startup entrepreneurs to self-assess the stage of development of their business initiative. After excluding firms no longer in operations, **almost 4 respondents in 10 state that they are in a 'development' phase; 21% are already on the market, while 16 % define themselves as scale-ups (Figure 9).**

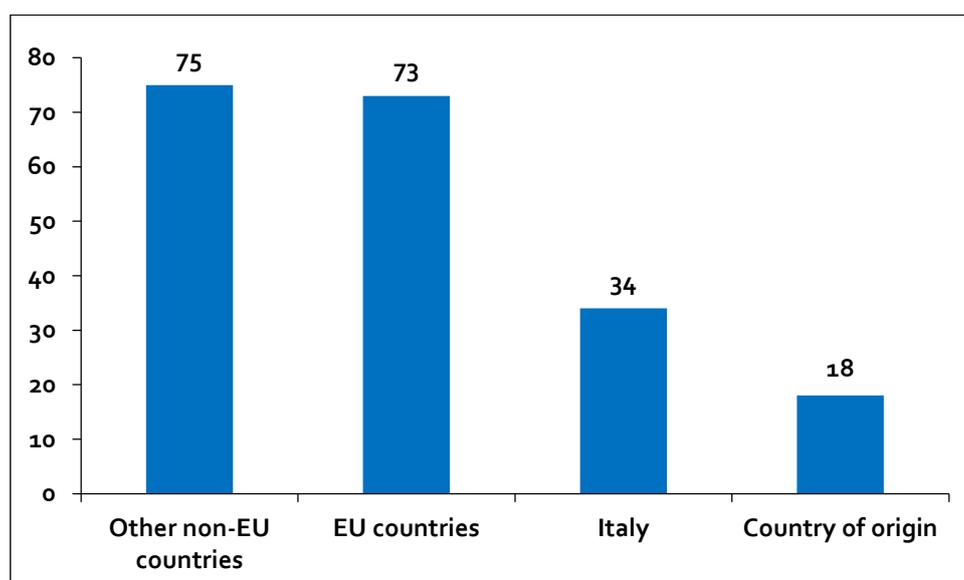
Figure 9 — ISV startups stage of development (% values; number of respondents = 57)



Source: ISV survey, July-August 2019

ISV startups primarily target international markets. Three respondents in four report that their main sales market is either European or global. Only 34 % indicate that they aim to sell primarily on the Italian market, while just 18 % have their own country of origin as their main destination (Figure 10).

Figure 10 — Geographical breakdown of sales markets (% values; number of respondents = 56)

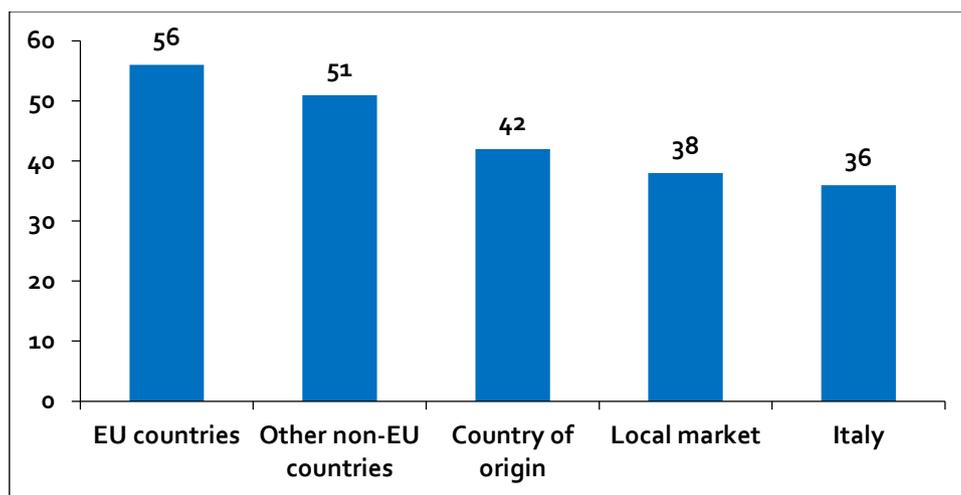


Source: ISV survey, July-August 2019

An interesting finding is that many beneficiaries have businesses based outside of Italy as their main suppliers. However, these are not necessarily located in the country of origin of the

entrepreneur (42% of all cases). Exactly half of interviewees report having bought or sought supplies for businesses located in an EU country different than Italy. It is also to underline that **38% of respondents primarily source their product from the local area in which their startup operates**, which confirms their potential high return on hosting regions (Figure 11).

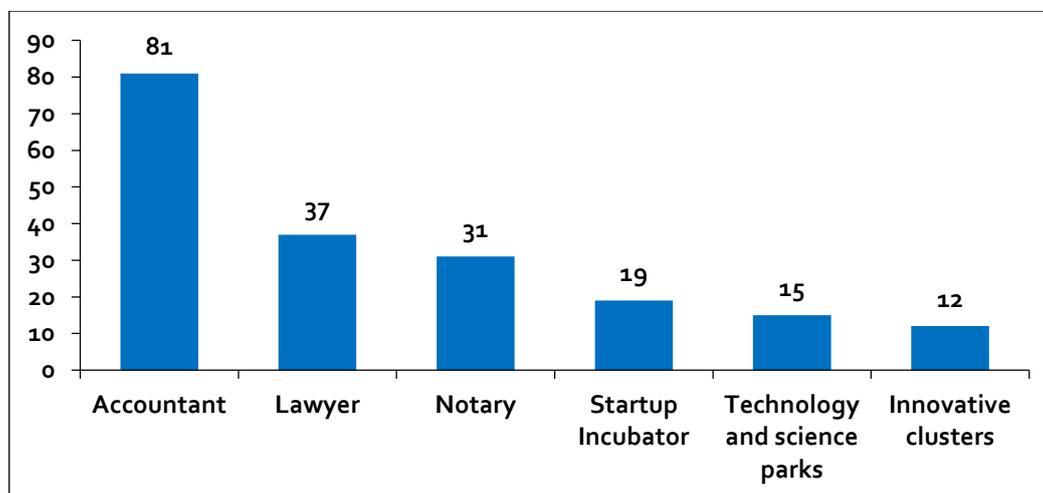
Figure 11 — Geographical breakdown of supply markets (% values; number of respondents = 55)



Source: ISV survey, July-August 2019

The survey also seeks to explore the relational network developed by startup founders. In particular, **81% of entrepreneurs have hired a *commercialista* ('accountant') to get help with taxation and other legal matters**. A smaller share reports seeking professional consultancy by lawyers (37%) and notary professionals (31%). However, very modest appears the role played by startup incubators, science and technology parks, and innovative clusters (Figure 12).

Figure 12 — Degree of use of professional services (% values; number of respondents = 52)

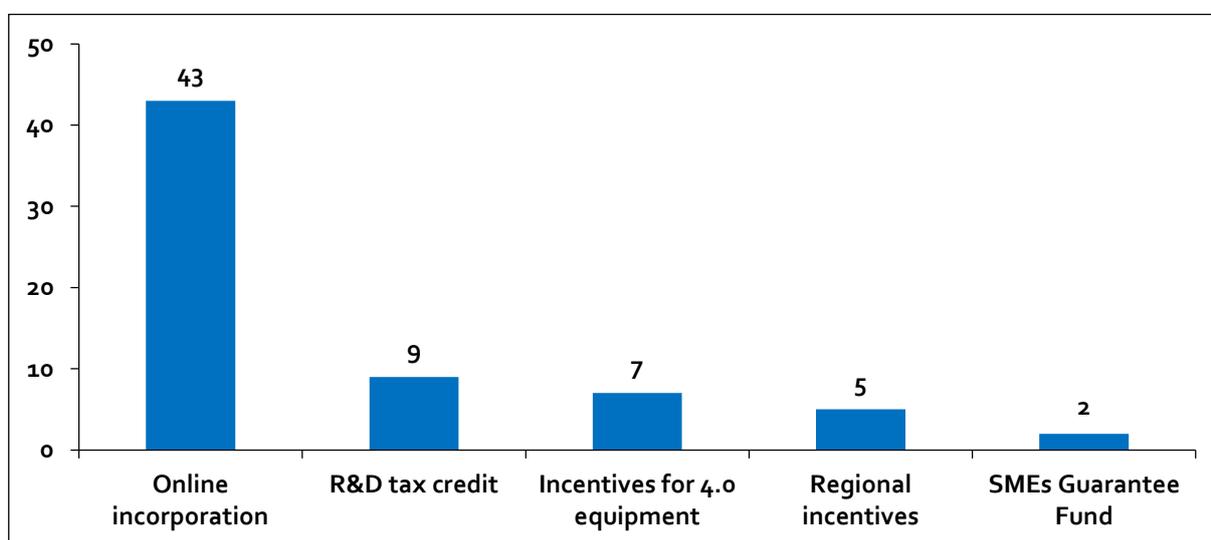


Source: ISV survey, July-August 2019

Coming to the legal incentives offered specifically to tech companies, **a very significant share of visa holders (43 %) indicate that they have set up their business online, using the digital based, cost-free procedure introduced only for innovative startups in July 2016²¹.**

Despite the wide range of incentives available²², some of them, such as the Smart&Start Italia subsidised finance scheme and the tax incentives available for equity investments, were not mentioned by respondents. Some startup visa holders used other fiscal incentives, including the R&D tax credit and tax breaks for the purchase of 4.0 digital equipment. Both of these represent pillars of the strategy for 'Industry 4.0' launched by the Italian Government in 2017. Only one beneficiary received bank loans with the support of the Guarantee Fund for SMEs, a credit facilitation very popular among Italian startups. The limited use of the mentioned instruments can be attributed, at least in part, to a lack of knowledge of how to access the incentives available.

Figure 13 — Degree of use of public incentives (% values; number of respondents = 56)



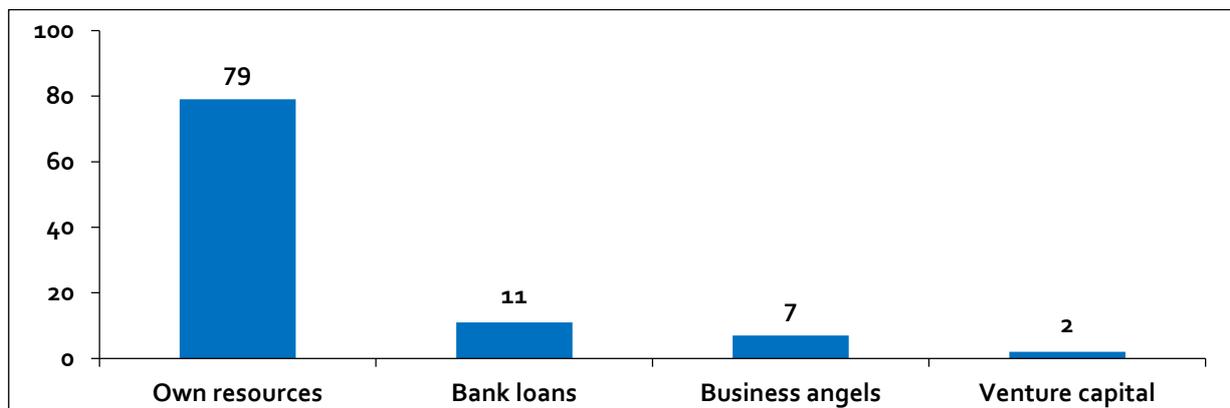
Source: ISV survey, July-August 2019

On the financial side, 79 % of beneficiaries 'bootstrapped' their business, using exclusively their own funds in the early stages. External sources of supply (bank loans, business angels, venture capital) are mentioned only by a minority of startup visa holders (**Figure 14**).

²¹ For more information, please consult InfoCamere's web portal dedicated to innovative startups: <http://startup.infocamere.it/atst/guidaCostitutivo>

²² The questionnaire mentioned the following incentives: online incorporation, exemption from fees normally due to the Chambers of Commerce, waivers on general company law (e.g. extension of the deadline to cover losses), tailor-made labour regulations for fixed-term contracts, stock options and work-for-equity, tax incentives for equity investors, equity crowdfunding, simplified access to the SME Guarantee Fund, Smart&Start Italia, regional and local financing initiatives, Italian Trade Agency: ad hoc services for the internationalisation of startups, «Fail fast», R&D Tax credit, hyper-depreciation on machinery and other 'Industry 4.0' incentives.

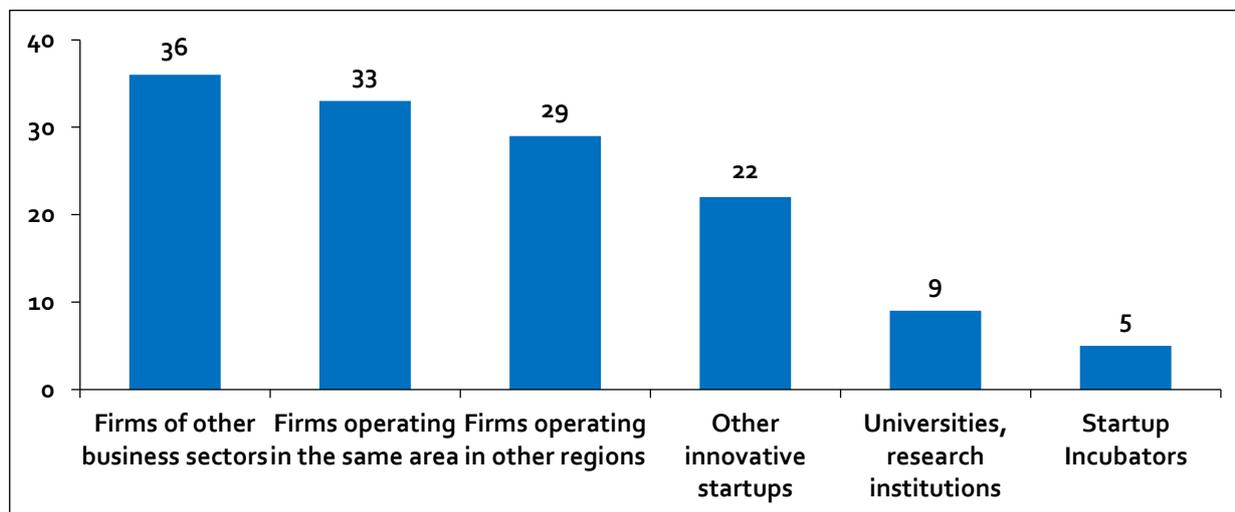
Figure 14 — Main sources of funding (% values; number of respondents = 56)



Source: ISV survey, July-August 2019

In terms of the co-operation with other players of the innovation ecosystem, geographical proximity plays an important role, with many beneficiaries reporting to have built mutually beneficial linkages with other businesses based in the local area. More modest are the ties with universities, research centres, science and technology parks (Figure 15).

Figure 15 — Degree of co-operation with the national innovation ecosystem (% values; number of respondents = 55)



Source: ISV survey, July-August 2019

A small, but not insignificant, subset of beneficiaries (11 in total) discontinued their original business project, and had shut their startup down at the time of the survey – or were in the process or doing so. These respondents claim as main causes weaknesses that are often cited in

the Italian entrepreneurial environment, such as high taxation and red tape, and difficult access to capital. Some decided to continue their activities abroad, in the EU or elsewhere.

To sum up, startup founders provided **an overall positive assessment of their business experience**. Particularly interesting findings are the high reputation enjoyed by the Italian 'human capital', and the high propensity of ISV founders to seek business opportunities (buyers and suppliers) outside of Italy's borders. **In addition, a fair share of the startups are on the market or even in a 'scale-up' stage, and are active in tech intensive areas (e.g. artificial intelligence, Internet of Things, mobile apps, innovative software).**

At the same time, a number of bottlenecks have come to light. Many of these are similar to those experienced by Italian entrepreneurs, such as red tape and high fiscal burden, and scant access to bank loans and venture capital. Some, however, are specific to the newcomers' experience, such as a disconnection with incumbent players in the innovation ecosystem, and limited knowledge of the public incentives available.

4.3 Two ISV success stories

In essence, interviewees have depicted ISV as a programme with an outstanding potential, partly still untapped. The following success stories show that entrepreneurial success is at the reach of startup visa holders: the two startup founders in question managed to overcome the startup stage of business, **establishing themselves on the local market and reporting very positive results in terms of the turnover and financial return.**

The first example is **Fueguia 1833**, a startup **established in 2015** and operating in the **cosmetics sector**. The founder, **Julian Francisco Bedel**, an Argentine national from the Patagonia region, discovered the ISV programme thanks to the Italian Embassy in Buenos Aires. Having long considered setting up a company in Europe, Julian carefully assessed several options (Paris, London, Madrid, Berlin), before choosing **Milan** after a detailed market analysis.

Fueguia 1833, which produces cosmetics and perfumes from natural flavours typical of Patagonia, employs 14 people and reported a turnover of around 2 million euros in 2018. In addition to modern production techniques, the company's innovativeness derives from a sustainable and environmentally friendly supply chain, which ensures the traceability of all ingredients and absolute transparency for consumers.

The firm has now gone international, opening boutiques in New York, Stockholm and Tokyo, but still retains Milan as its headquarters.

The second case is **Routes Software**, a company **founded in 2015 in Lomazzo (Como)** by **Denis Bulichenko**, businessman and software developer of **Russian nationality**. A serial entrepreneur, Denis accumulated strong experience in various fields, such as augmented reality, audio-visual technologies, and product development in the ICT sector.

Its startup primarily develops, sells and operates multi-platform mobile apps for tourism promotion, particularly experiential tourism. The flagship product is **Peakvisor**, a mobile app

which provides identification software for hiking paths in a mountain setting – like the Lombard Alps where Routes Software is based – using an advanced 3D maps system.

The idea met widespread recognition, with Peakvisor being even promoted in Apple's 'App of the Day' list. Peakvisor counts more than 400.000 active users worldwide and an average of approximately 40.000 single users per month. This success resulted in a **turnover of around 2 million euros in 2018**.

Mr. Bulichenko chose to locate in Northern Italy primarily because of its very central position in the EU, which allows easy access to other wealthy markets, such as France, Germany, Switzerland, Austria, and Slovenia. The high quality of life offered by Italy was another decisive factor for him. His team relies on the support of a network of external developers, local and foreign.

5. Main takeaways and policy recommendations

In an increasingly competitive and interconnected global context, the ability to attract foreign entrepreneurs to Italy is an important factor for growth. In this respect, this work has sought to highlight how, whilst operating in a specific context (i.e. hi-tech entrepreneurs from non-EU countries), an ambitious and evidence-based programme like ISV can contribute to achieve such a goal.

ISV was met with great interest at the international level, showing that Italy can be an attractive location for startups. This is shown by the relatively large amount of applications registered (481 up to December 2019) and the related countries of origin (49).

As the survey highlighted, most visa holders intend to settle to Italy on a long term basis. Their decision to stay depends on the growth prospects offered by the Italian market and by the country's high living standards, as well as by the presence of a supportive innovation ecosystem and of high quality local human capital.

At the same time, the survey also shed light on several critical issues that deserve to be carefully dealt with by the public administrations involved in the programme. The following set of policy recommendations aims to fully exploit the potential of the ISV programme.

1. LAUNCH A WIDE-RANGING COMMUNICATION STRATEGY TO ATTRACT TALENT TO ITALY

A first issue concerns the programme's **limited ability to reach a broader audience across the international tech community**, i.e. among non-EU entrepreneurs potentially interested in a startup visa to Italy. Those aware find the programme extremely attractive: unfortunately, the size of this group is still very limited. This is due to the fact that, **as things stand, ISV is not supported by a broad communication strategy**.

The programme's website is currently the main source of information that allowed participants to learn about the opportunities offered by the startup visa. Albeit regularly advertised on the institutional channels of the MISE, the quarterly monitoring reports can contribute only partially to promote the programme.

The scattered initiatives carried out by several Italian consulates or embassies, or by some of the foreign offices of the Italian Trade Agency (ITA), have only partially filled the gap. In fact, several areas close to Italy from a geographic and historical point of view, such as North Africa, the Middle East and the Western Balkans, are still largely under-represented among the countries of origin of the applicants.

To face this issue, it could be decisive **to define a structured communication strategy**, ensuring a wider **exposure to the press, with particular reference to digital and international media**. The international 'blogosphere', although only sporadically, has already had some effect, as reported in particular by Russian-speaking beneficiaries.

To achieve this objective, actions could be taken to:

-  **Mobilise Italian institutional actors to promote the ISV programme abroad.** This may be achieved through the involvement of the Italian diplomatic community (embassies, consulates, the ITA, international chambers of Commerce, and the Italian Cultural Institutes) and, in turn, the network connected with these players.
-  **Produce targeted communication materials.** These should: communicate effectively the benefits brought about by the programme all along the migration and business pathway; be disseminated by targeting specific interest groups; be available not only in English but also in the languages of the main target countries, in order to better reach the local press and opinion makers.
-  **Conduct awareness raising campaigns in emerging markets, e.g. through 'showcasing' actions.** The promotion of ISV's success stories in selected countries would make it easier to attract target groups that have hitherto been under-represented and are potentially interested in gaining access to the European market and Italy's driving sectors.
-  **Relaunch of the Italia Startup Hub (ISH) programme²³** for foreign citizens already holding a residence permit. Since 2015, ISH has extended the ISV fast-track procedure to the conversion of residence permits of non-EU nationals already residing in Italy for reasons other than self-employment – for instance, graduate students. Considering the magnitude and the strategic importance of the target audience, it would be desirable to enhance the promotion of the ISH programme, in order to involve an increasing number of non-EU talents and researchers who, after obtaining an academic title in Italy, may consider staying to incorporate an innovative startup, turning their high level knowledge and skills into an entrepreneurial project.

2. IMPROVING STRUCTURAL SUPPORT SERVICES AND INCREASING THE INVOLVEMENT OF INNOVATION ECOSYSTEM PLAYERS

A second feature highlighted by the survey concerns the **critical aspects affecting newcomers in running their company in Italy**. Finding an orientation within the Italian business and legal environment is complex, owing both to a stratified regulatory framework — e.g. in the fields of taxation and company law — and to cultural aspects (e.g. the importance of informal networks). Red tape is one of the main obstacles in doing business in Italy and, in this regard, most ISV holders state that they rely on accountants and other legal professionals to make it through.

In this sense, the ISV Secretariat provides general guidance services, in particular as regards questions that directly concern the policy for innovative startups. For example, in 2016, it initiated a cycle of webinars ([link](#)), in which ecosystem actors and qualified professionals offered advice on issues of particular importance for startup visa holders, such as funding programmes, tax legislation and the opportunities for collaboration within the startup ecosystem.

It is conceivable that these problems could be more easily solved by **promoting better integration and exchange of information between the participants in the programme and the**

²³ Official portal: <http://italiastartupvisa.mise.gov.it/#ISHhome>

national startup ecosystem. This would reduce the asymmetry of information between insiders and outsiders, who, as the survey showed, are often not appropriately informed about bureaucratic and administrative procedures.

Specific actions should therefore be taken to:

-  **Promote greater interconnection between the national innovation ecosystem and startup visa holders.** In particular, this can be achieved by increasing the involvement of organisations that have an intermediary role in the national ecosystem: public and private incubators and accelerators, technology transfer offices, science and technology parks, competence centres etc. These bodies could contribute both in terms of the engagement of foreign talents, and by supporting them in the creation and development of their business.
-  **Strengthen the exchange of information between public offices and startup visa holders.** The survey showed that participants in the programme perceive the role of administrative offices – police headquarters, Chambers of Commerce, the revenue agency etc. – as highly influential for the success of their endeavour. The quality of the procedures and services offered by the public administration should therefore be as good as possible. Improvement efforts should devote a particular focus to smaller offices or offices located in a peripheral location, which are more likely to suffer from information asymmetries and are less used to deal with non-Italian speaking migrants.
-  **Facilitate cooperation between companies, particularly with established entrepreneurs from non-EU countries.** These could provide useful information and other forms of mentoring, making language and cultural barriers less prominent.²⁴

3. FACILITATING ACCESS TO VENTURE CAPITAL AND DEBT FINANCE

A third stream of recommendations concerns the **difficulties met by foreign entrepreneurs in finding sufficient financial resources for the development their startup.** Most beneficiaries have to use their own savings, as external sources such as venture capital and debt finance are difficult to access.

In addition, there is an untapped potential in terms of the uptake of the public instruments for startups and tech businesses at large offered by the Italian policy framework, such as the incentives making up the Italian Startup Act and the tax credit for R&D investment. The survey shows that the main reason for this is information asymmetry.

In view of improving access to finance, it would be important to:

-  **Promote enhanced dialogue and interaction between startup founders and the national financial industry:** venture capital funds, business angels, equity crowdfunding platforms, venture incubators/accelerators and large companies engaging in corporate venture capital. A matchmaking web portal featuring company profiles could be a first step in this direction.

²⁴ Italy hosts more than 600 000 firms run by foreign citizens, 10 % of the total number of firms currently in operations at the national level (source: Unioncamere 2019, [link](#)).

The website dedicated to innovative startups and SMEs run by the Italian Chambers of Commerce (startup.registroimprese.it), which contains a wealth of administrative and market data, is a good starting point in this direction.

-  **Facilitate more widespread dissemination of information on direct and indirect public finance instruments dedicated to innovative companies**, whether specifically targeted at startups (e.g. Smart&Start Italia programme, tax incentives for equity investments) or aimed at a general business audience (e.g. R&D tax credit). This could be achieved through tailor-made information campaigns carried out, at the national level, by the MISE, its affiliated agencies (e.g. ITA) and the other administrations involved in the programme, and at local level, by involving Italian sub-national administrations (e.g. regions, larger cities). The latter could take the opportunity to advertise their own local tools and programmes to support (innovative) entrepreneurship.
-  **Make the most of potential synergies between public instruments for the attraction of foreign financial capital (e.g. the Investor Visa for Italy programme, the recently-introduced optional lump sum tax regime for newly resettled high-net-worth individuals) and talent (e.g. the startup visa, the EU Blue Card for highly skilled workers)**. These tools could be promoted jointly as a single 'attraction package', including targeted actions focusing on specific geographical areas or groups of intermediaries, and combined in their practical application (e.g. the investor visa may be used to finance Italian startups founded by non-EU nationals). In addition, linkages between Italy and third countries could be developed and leveraged based on specific instruments (e.g. the investor visa could pave the way for emerging markets with a wide community of high-net-worth individuals, which could subsequently be addressed for promoting the startup visa). Last but not least, it would be useful to explore the potential synergies between the startup visa and the bilateral scientific cooperation programmes coordinated by the Italian Ministry of Foreign Affairs and International Cooperation.

This survey has sought **to highlight the enormous potential of the ISV programme, both in making Italy more attractive for global startups and in increasing the innovative character and competitiveness of our business environment**. Feedback provided by the respondents to the survey, the over 40 innovative startups hitherto created by the startup visa holders and, in particular, the two success stories described in the previous chapter, all point to the same direction: foreign entrepreneurs who choose to locate their business in Italy are likely to run their business and perform successfully, generating significant returns for their business and the hosting community.

ISV could be an important lever to attract an even higher number of non-EU entrepreneurs to run a business in Italy, giving new impetus to the national innovation ecosystem. Foreign nationals who decided to establish an innovative startup in Italy are becoming increasingly integrated into the local entrepreneurial network, opening new opportunities and generating positive effects on employment and business dynamism.

Yet, the main findings of the survey show that there is still much work to do to make Italy a 'startup nation'. Despite the positive contribution of the programme, beneficiaries suffer from similar problems affecting the competitiveness of Italian innovative young companies, compounded by a number of factors typical of any 'newcomer' experience.

Albeit in a small scale, the ISV experience showed that ambitious and well-designed public policies for the attraction of foreign capital can be highly beneficial for the domestic market.

Limited to the startup visa, increased awareness of the programme would improve the quality of the business projects submitted; high potential startups would attract more capital; well-funded enterprises would create more employment and contribute to the making Italy's traditional sectors more competitive.

Ultimately, the promotion of success stories would result in reputational growth at the global level, closing a **virtuous circle**. In this direction, it is our hope that the evidence and reflections presented in this report can be of encouragement not only for institutions and organisations directly involved in the programme, but for the national innovation ecosystem as a whole.

Annex A:
#ISVsurvey Questionnaire

Annex A: #ISVsurvey Questionnaire

Marked (*) questions are mandatory.

1. (Introduction) #ISVsurvey 2019

- Email address *
- Your name and surname *
- How did you hear about the Italia Startup Visa programme? Multiple answers are accepted. *
 - Official website of the programme (italiastartupvisa.mise.gov.it)
 - Website of the Italian Ministry of Foreign Affairs (vistoperitalia.esteri.it)
 - Italian representations abroad (e.g. Embassy, Consulate, chamber of commerce)
 - Social network, blog or forum
 - Press or online newspaper
 - Consultants
 - Other:
- Before applying for a startup visa, had you ever been to Italy? *
 - No, I had never been to Italy before
 - Only for short periods (e.g. for tourism)
 - Yes, I had already lived in Italy for more than three months before applying

2. Your previous experience in Italy

- Before applying for a startup visa, I had already spent more than three months in Italy for: *
 - Study
 - Research
 - Traineeship or salaried employment
 - Self-employment
 - Other:

3. Your startup visa

- After receiving your Nulla Osta, did you collect your entry visa for self-employment?
 - Yes
 - No, I quit the procedure to move to Italy
 - Not yet

4. Withdrawal from ISV (a)

- Why did you quit the procedure to move to Italy? *
 - I had issues with administrative procedures at the Consulate/Embassy
 - I decided to establish my startup in a different country
 - I gave up on the idea of establishing a startup
 - Personal reasons
 - Other:

4. Withdrawal from ISV (b)

What difficulties did you face at the Consulate/Embassy? Please specify. *

4. Withdrawal from ISV (c)

- Why did you choose to set up your startup in another country? Please describe your experience. *

4. Withdrawal from ISV (d)

- Why did you give up on the idea of establishing a startup? Please describe your experience. *

5. Your current location

- Where are you based at the moment?
 - In my country of origin
 - In another EU country
 - In a non-EU country

5. Your current location (b)

- In which EU country are you currently based? Please specify.

5. Your current location (c)

- In which non-EU country are you currently based? Please specify.

6. Your relocation to Italy

- How soon after the visa issue did you arrive in Italy? *
 - 1 month
 - 2 months
 - 3 months
 - 4 months
 - 5 months
 - More than 6 months

6. Your relocation to Italy (b)

- How many months did you take to move to Italy after getting your startup visa? Please type a number *

7. Moving to Italy: family and permit

- Did you apply for family reunification? Multiple answers are accepted. *
 - For my spouse
 - For my dependent children
 - For other dependent relatives
 - No
- Did you get your residence permit for Italy? *
 - Yes, I hold a residence permit for self-employment
 - I am waiting for a residence permit for self-employment

- I obtained/am waiting for a residence permit, but not for self-employment
- No, I was refused a residence permit for self-employment

7. Moving to Italy: family and permit (b)

- You were refused an Italian residence permit. What was the matter? Please describe the difficulties you faced.

7. Moving to Italy: family and permit (c)

- You are waiting for a new residence permit that is not of 'self-employment' type. What type is it? *

8. Moving to Italy: startup incorporation

- Did you experience administrative difficulties during the issue of your residence permit? Please describe your experience. *
- In which Italian city are you based at the moment? *
- Have you already founded an innovative startup in Italy? *
 - Yes
 - Not yet, but I am currently in the process of founding one
 - I joined an Italian innovative startup that already existed in a role as a working shareholder
 - No, I gave up on founding a startup in Italy

9A. Moving to Italy: startup not founded (yet)

- You have not incorporated your startup in Italy yet, but you plan to do it soon. What kind of problems have you faced so far? At what stage of the process are you at the moment? Please tell us more. *

9B. Moving to Italy: startup not founded

- Why did you give up on founding an innovative startup in Italy? *
 - I had administrative issues (e.g. with my residence permit)
 - My entrepreneurial idea turned out to be unfeasible
 - I did not find any professionals able to support me
 - I chose to incorporate my startup in another EU country
 - I changed my mind for personal reasons
 - Other:

9B. Moving to Italy: startup not founded (b)

- So, you eventually decided not to incorporate a startup in Italy for personal reasons. Please describe your experience in brief *

9B. Moving to Italy: startup not founded (c)

- Are you still in Italy on a permanent basis? *
 - Yes
 - No

9B. Moving to Italy: startup not founded (d)

- You decided not to incorporate a startup in Italy, but you have stayed in the country anyway. What is your migration status? *
 - Residence permit for self-employment
 - Residence permit of a different type (e.g. study, research, salaried employment)
 - I am currently waiting for the issue of a residence permit (not for self-employment)

9B. Moving to Italy: startup not founded (e)

- What type of residence permit? Please specify. *

9C. Joined an Italian startup

- You joined an innovative startup already in existence in the role as a working shareholder. Are you still part of the firm? *
 - Yes, I still both hold shares and work for the startup
 - No, I still hold shares but I do not work for the startup any longer
 - No, I no longer hold shares but I still work for the startup
 - No, I am no longer involved

10A. Residence permit renewal

- Have you already renewed your residence permit? *
 - Not yet
 - Not yet, but I have applied for renewal and I am waiting for a new permit (first time)
 - Yes, once
 - Yes, twice or more
- Have you had any administrative issues with the renewal of your residence permit? Please describe your experience. *
- Do you currently reside in Italy on a permanent basis? *
 - Yes
 - No, I live in my home country
 - No, I moved to another EU country
 - No, I moved to another non-EU country

11A. Your current location (startup founded) (b)

- In which EU country? Please specify.

11A. Your current location (startup founded) (c)

- In which non-EU country? Please specify.

11A. Your stay in Italy

- For how long do you plan to stay in Italy?
 - For long: I would like to obtain 'permanent resident' status
 - For a short time

- I plan to leave Italy soon and permanently: I will not apply for renewal of my current residence permit

12A. Your stay in Italy (b)

- You plan to remain in Italy 'only for a short time'. Please specify for how long. *

12A. Your stay in Italy (c)

- You plan to leave Italy soon and permanently. What are the main reasons? *

10B. Renewal of residence permit (startup not yet founded)

- Have you already renewed your residence permit? (Ignore if not applicable)
 - Not yet
 - Not yet, but I have applied for renewal and I am waiting for a new permit
 - Yes
- Have you had any administrative issues with the renewal of your residence permit? Please describe your experience. (Ignore if not applicable)

11B. Your current location (startup not yet founded)(b)

- Do you currently reside in Italy on a permanent basis? *
 - Yes
 - No, I live in my home country
 - No, I moved to another EU country
 - No, I moved to another non-EU country

11B. Your current location (startup not yet founded)(b)

- In which EU country? Please specify.

11B. Your current location (startup not yet founded) (c)

- In which non-EU country? Please specify.

11B. Your stay in Italy (startup not yet founded)

- For how long do you plan to stay in Italy?
 - For long: I would like to obtain permanent residency
 - For a short time
 - I intend to leave Italy soon and permanently: I will not apply for a renewal of my current residence permit

12B. Your stay in Italy (startup not yet founded) (b)

- You plan to remain in Italy 'only for a short time'. Please specify for how long. *

12B. Your stay in Italy (startup not yet founded) (c)

- You plan to leave Italy soon and permanently. What are the main reasons? *

13C. Your startup

- Please specify the legal name and the Codice Fiscale (tax ID) of your startup. *
- At what stage of development is your startup? *
 - Idea
 - Development
 - On the market
 - Scale-up
 - Closing down

14. Closing down

- Your startup has ceased operations or is about to do. What led you to shut down your company? Multiple answers are accepted. *
 - Lack of customers
 - Lack of financial resources
 - The business model turned out to be unfeasible
 - Too heavy taxation and/or bureaucratic burden
 - I decided to continue operations abroad
 - Other:

15. Doing business in Italy

- Which factors influenced your choice to found a startup in Italy? Multiple answers are accepted. *
 - Access to a potentially remunerative market (Italy/EU)
 - High quality of life expected
 - Availability of support facilities (universities, incubators, research centres...) facilitating startup growth
 - Support by friends/network/business partners already based in Italy
 - Favourable legislation for innovative startups
 - Previous work experience in Italy
 - Previous study experience in Italy
 - Knowledge of the Italian language/passion for Italian culture
 - Other:
- Did you build any relationship with other players of the Italian entrepreneurial ecosystem? Multiple answers are accepted.
 - No, it was not necessary
 - No, we did not find any suitable partner
 - Firms from the area where my startup is based
 - Firms based in other Italian regions
 - Firms operating in the same economic sector as my startup
 - Firms not of the same economic sector, but part of the same value chain as my startup
 - Firms of other economic sectors
 - Other innovative startups
 - Other 'traditional' SMEs
 - Large corporations

- Universities, research centres, science and technology parks, tech-transfer offices
- Startup incubators, accelerators
- None of the above: I have only established relationships with non-Italian players
- Where do your suppliers (e.g. of software, components, commodities...) come from? Multiple answers are accepted.
 - Local area where the startup is based (e.g. same city/province)
 - Same region where the startup is based
 - Other parts of Italy
 - European Union
 - Rest of Europe (non-EU members)
 - My country of origin
 - Rest of the world (outside of Europe)
- What is the target market of your products and services? Multiple answers are accepted.
 - Local area where the startup is based (e.g. same city/province/region)
 - More than one Italian region
 - Italy at large
 - European Union
 - Rest of Europe (non-EU members)
 - My country of origin
 - Rest of the world (outside of Europe)
 - Other:
- Are you supported by any of the following categories of professionals? Multiple answers are accepted.
 - Startup incubator
 - Co-working space
 - Business mentor
 - Trade association
 - Accountant ('commercialista')
 - Lawyer
 - Notary
 - Science and technology park
 - Startup accelerator
 - Innovation cluster
 - Other:
- Did you benefit from credit or equity financing? If so, by whom? *
 - Not yet: I primarily relied upon my teammates' and my personal funds
 - Corporate Venture Capital
 - Venture Capital
 - Business angels or club deals
 - Bank loans
 - Crowdfunding campaigns
 - Call for tenders and other public financing initiatives
 - Other:
- Did you receive prizes, or win tenders/grants during your stay in Italy? Was your success story covered by the press? Tell us about your experience.

- What are your main business needs in order to meet your growth targets?
- Did you use any of the incentives and support measures making up the Italian Startup Act? Multiple answers are accepted. *
 - Online incorporation
 - Exemption from fees normally due to the Chambers of Commerce
 - Waivers on general company law (e.g. extension of the deadline to cover losses)
 - Tailor-made labour regulations for fixed-term contracts
 - Stock options and work-for-equity
 - Tax incentives for equity investors
 - Equity crowdfunding
 - Simplified access to the SME Guarantee Fund
 - Smart&Start Italia
 - Regional and local financing initiatives
 - Italian Trade Agency: ad hoc services for the internationalisation of startups
 - «Fail fast»
 - R&D Tax credit
 - Hyper-depreciation on machinery and other 'Industry 4.0' incentives
 - None of the above
 - Other:
- What are the main challenges you have faced in doing business in Italy? In your view, what would it take Italy to become a true 'startup nation'? Tell us about your experience and your ideas
- In your experience, what are the main positive factors and comparative advantages of doing business in Italy?

Annex B:
**Flow chart of ISV holders' key
migratory pathways**

Annex B: Flow chart of ISV holders' key migratory pathways

