



Admitting third-country nationals for business purposes

EMN Focussed Study 2014

1 STUDY AIMS AND RATIONALE

In post-crisis recovery, properly managed admission of third-country nationals bringing positive impacts on business, investments and service providers can be crucial to boost economic growth. The aim of this EMN Focussed Study is to provide an analysis and further understanding of the conditions in place in EU Member States that regulate the admission for business purposes from third-countries to the EU.¹ Specifically it will address three broad areas: a) the admission of non-EU investors who are not yet present/resident in any Member State b) the admission of non-EU business owners who are not yet present/resident in any Member State and c) the admission of other third-country nationals who travel to the EU for business reasons ("other business persons"). While the first two categories tackle only third-country nationals admitted for long stay, the last one includes also those travelling under Schengen short-stay rules.²

National rules and policies that regulate admission for business purposes on long-stay visa, unlike Schengen rules, are not harmonised. The Study will therefore compare and contrast the ways, and extent to which, Member States' existing legal and policy measures are used to facilitate and attract the entry of third-country nationals for business purposes whilst safeguarding against misuse. The Study will build on information already collected during the course of developing other related (published) EMN Studies and through the EMN Ad-Hoc Query tool. It also draws from other relevant literature published by third parties.

Admitting third-country nationals for business purposes

Facilitating the arrival of third-country nationals for business purposes into the EU has been emphasised in several EU documents. The Stockholm Programme invited EU Member States to make access for business people to the Union's territory more effective and efficient. The European Council of 26 & 27 June 2014 concluded that, to remain an attractive destination for talents and skills, Europe must develop strategies to maximise the opportunities of legal migration through coherent and efficient rules, and informed by a dialogue with the business community and social partners. Entrepreneurship 2020 Action Plan highlights the key contribution that third-country national investors and business owners can make to sustainable growth and employment, and invites Member States to remove legal obstacles to the establishment of businesses by legal migrants. Business people want movement in and out of, as well as within, the EU to be as fast and uncomplicated as possible. An OECD

¹ Norway has opted out of this Study.

² Six pre-defined categories of "natural persons" providing services, as contained in the EU's schedule of specific commitments of the General Agreement on Trade in Services (GATS) and the EU free-trade agreements, will structure our analysis: Business visitors for establishment purposes (BVEP), Intra-corporate transferees (ICT), Graduate trainees (GT), Business sellers (BS), Contractual services suppliers (CSS) and Independent professionals (IP). The only piece of forthcoming EU legislation, which will apply to one of the categories of persons covered by the EU's international trade commitments, is the Directive on conditions of entry and residence of third-country nationals in the framework of an intra-corporate transfer.

study³ shows that despite existing policy measures, inflow of foreign business owners via these immigration schemes is rather low as wide variations exist in the Member States practices for admission into their territory.

Many Member States⁴ may have designed and implemented specific programmes for non-EU investors and/or business owners willing to come to the EU to create/participate in business and contribute to economic growth and job creation, by providing incentives and easing restrictions. "Packages" for these categories often include: fast-tracking of visa processes, long-term residence permits, visa free travel across the Schengen area, limited/short fixed-term stays, the possibility to be accompanied by family members and, to a limited extent, to obtain the Member State's citizenship. Little information is available about the number of national visas or residence permits specifically issued to third-country nationals who are beneficiaries of such programmes, and to date, a systematic review and evaluation of all Member States' programmes and their impact has not yet been carried out. Identification and analysis of lessons learnt in the different Member States could provide examples on how to develop smart immigration systems for these categories of immigrants. While Member States strive to make immigration schemes "business friendly" in order to facilitate access, at the same time they must also build in measures to prevent abuse and detect fictitious/bogus or other illegal/criminal activities. It must also be noted that in a few case pre-entry requirements or quota limits are set on a yearly basis.

Increasing internationalisation of business, combined with changing patterns (the increasing need for mobility and casualisation of service) requires that Member States' admission systems are responsive to the realities and needs of the business sector. International businesses require third-country nationals, who are providing a service, to have access to the territory and to come and go with ease. Immigration authorities must maintain controls while minimising the negative impact on business and, by extension, on the Member State economy. Trade Agreements provide a useful way of defining a target group of interest to this study. The temporary movement of natural persons (TMNP) is one of the four modes of international service supply, under the General Agreement on Trade in Services (GATS). Otherwise known as "Mode 4", TMNP covers the temporary movement of natural persons for the purpose of supplying a service.⁵ Importantly it does not, therefore, concern persons seeking access to the employment market in the host country, nor does it affect measures regarding citizenship, residence or employment on a permanent basis. Six Mode 4 categories of 'natural persons' are explicitly identified; each is defined by a prescribed length of stay. Four of these categories include a longer-term perspective (admitted on long-stay visa), the first two of which are covered by the recently adopted Directive on Intra-Corporate Transferees⁶:

- ★ intra-corporate transferees (up to three years);
- ★ graduate trainees (up to one year);
- ★ contractual service providers (a cumulative period of not more than 6 months or, in the case of Luxembourg, 25 weeks in any twelve-month period or for the duration of the contract, whichever is shorter) and
- ★ independent professionals (as above, a cumulative period of not more than 6 months or, in the case of Luxembourg, 25 weeks in any twelve-month period or for the duration of the contract, whichever is shorter).

The remaining two categories or persons are eligible for short-term movements only (admitted on short-stay visa):

- ★ business visitors (up to 90 days in any twelve-month period); and
- ★ business sellers (up to 90 days in any twelve-month period).

³ OECD (2010), Open for Business: Immigrant entrepreneurship in OECD Countries

⁴ EMN Ad-Hoc Query 527 Wealthy immigrants / investors

⁵ is 'the supply of a service...by a service supplier of one Member, through the presence of natural persons of a Member in the territory of another Member'. WTO General Agreement on Trade in Services (GATS) 'Article 1.2(d).

⁶ Directive 2014/66/EU of the European Parliament and of the Council of 15 May 2014 on the conditions of entry and residence of third-country nationals in the framework of an intra-corporate transfer, OJ EU L 157, 27 May 2014.

There is a lack of specific legislation applicable to other business persons, both at EU and national level and there are wide variations in EU Member States' practices for admitting these categories of migrants into their territory. This study will use the six categorisations set out above and will investigate what provisions exist at Member State level relevant to these six types of business persons. To improve comparability, admission of other business persons for the purpose of this Study should be differentiated from labour immigration and should primarily focus on temporary movements of natural persons not requiring a work permit.

Specific Study Aims

Specifically this Study aims to:

- ★ Understand the definition used by Member States for immigrant investors and immigrant business owners and the national rules / restrictions on admission and stay (if relevant) that apply.
- ★ Identify and investigate the national rules / restrictions on admission and stay (if relevant) that apply to other business persons coming to the EU;
- ★ The Study will aim, to the extent possible, to investigate the experience of the above categories in Member State immigration systems (via consultation with the business community within Member States);
- ★ Compare and assess the different national policies in place for non-EU investors, business owners and other business persons at the various stages of migration (pre-entry, entry and stay), identifying the main actors involved, and exploring specific policy objectives to attract such third-country nationals;
- ★ Identify misuse / abuse of immigration channels for business purposes, specifically in relation to immigrant investors, immigrant business owners and other business persons, and identify the national measures in place to detect and prevent misuse / abuse;
- ★ Examine the challenges associated with the implementation of policies for immigrant investors, immigrant business owners and other business persons in Member States;
- ★ Examine the challenges associated with the immigration/mobility of third country national business persons in Member States (in consultation with the business community).
- ★ Identify and collect good practices and lessons learnt in devising secure, "business friendly" immigration systems for immigrant investors, immigrant business owners and other business persons.

2 SCOPE OF THE STUDY

The scope of the Study will include predominantly legal, business-related immigration. The study will take into account elements of mobility (short-stay under the Schengen rules) The study will address conditions for entry and stay of in particular immigrant investors and immigrant business owners and other business persons and will explore the national rules and restrictions in place to regulate their admission, as well as the effectiveness of legislation and policies to facilitate it, whilst preventing abuse. The study will also aim to identify and collect good practices in this regard. The Study will specifically consider:

- a) National legislation / policies in place to facilitate the admission of immigrant investors, business owners and other business persons to make admission "business friendly" in order to facilitate their access and at the same time devise admission schemes with smart built-in measures in order to prevent misuse / abuse of the systems;
- b) The conditions for admission of immigrant investors under so-called "investor programmes", the specific legal migration channels by which Member States grant access to third-country nationals for the purpose of business investments (enterprises) as well as the (temporary) admission of other business persons;
- c) Identify and collect examples of challenges and lessons learnt in relation to admission for business purposes.

3 EU LEGAL AND POLICY CONTEXT

Compared to other immigration channels, immigration rules for business purposes including investors, business owners and other business persons are only partly covered by EU legislation and Member States may apply different criteria for admission. A number of elements are however relevant:

★ **Visa Code⁷**

Regulation (EC) No 810/2009⁸ has streamlined rules and conditions for issuing visas for the purpose of short stays and airport transit and enhanced the harmonised application of these common rules. The proposals to amend this Regulation⁹ aim to seriously shorten and simplify the procedures for those wanting to come to the EU for short stays, bring cost savings and reduce bureaucracy, whilst maintaining the same level of security. Making the access to the Schengen area easier for legitimate travellers will facilitate visiting friends and relatives and doing business. It will boost economic activity and job creation in, for instance, the tourism sector as well as in related activities such as restaurant and transport industries.

★ **Intra Corporate Transfers Directive**

The directive, adopted on 15 May 2014,¹⁰ establishes a transparent and simplified procedure for the entry and residence of third-country nationals in the framework of an intra-corporate transfer, based on a common definition and harmonised criteria. This directive will make it easier and quicker for multinational companies to temporarily assign highly skilled employees (managers, specialists and trainees) to subsidiaries situated in the EU. It will introduce a special procedure for entry and residence and standards on the issue of residence permits for third-country nationals by Member States in the framework of an intra-corporate transfer (Article 79(2)(a) TFEU) and will also implement Article 79(2)(b) TFEU and define the rights of third-country nationals who are legally residing in a Member State under the terms of the proposal and also the conditions for residence in other Member States. Intra-corporate transferees admitted would be issued with a special residence permit by a competent authority designated by the Member States to receive the applications and issue the permits, entitling them to work as an inter-corporate transferee. No additional work permit may be required. 15,000 to 20,000 intra-corporate transferees are likely to be admitted annually in the framework of this directive. This will contribute to EU competitiveness and economic growth. The Directive entered into force on 28 May 2014 and Member States will transpose it into their legislation in the next 2.5 years (i.e. by 29 November 2014).

★ **EU free-trade agreements**

The current EU free-trade agreements stipulate the basis of investments, establishments and personnel, and there are innovations introduced in later agreements, such as articles 7.13, 7.18 and 7.19 of the EU Free Trade agreement with the Republic of Korea, which indicates the liberalised sectors for establishments and investors and key personnel, graduate trainees and business sellers. Annex 7 of the said free trade agreement lists the reservations by Member States on acquisition of real estate by third country nationals and limitations in establishing business. Reservations made by Member States on key personnel, graduate trainees and business service sellers include residency requirements, trade permits, nationality conditions and economic needs tests. In the proposed EU-Canada free trade agreement both Canada and the EU agreed to limit the scope of the term "investor" by excluding enterprises without substantial business activities in the alleged home state from the definition. This addresses also the issue of 'treaty shopping' and misuse by 'mailbox' investors, thus attempting to tackle abuse.

4 PRIMARY QUESTIONS TO BE ADDRESSED

The Study will focus on the following questions:

⁷ IE and UK are not bound by or subject to the Visa Code application.

⁸ Regulation (EC) No 810/2009 of the European Parliament and of the Council of 13 July 2009 establishing a Community Code on Visas (Visa Code)

⁹ Proposal for a Regulation of the European Parliament and of the Council on the Union Code on Visas (Visa Code) (recast)

¹⁰ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/jha/142571.pdf

- ★ What is the institutional framework and what are the general grounds defined in national law for the admission of third-country national investors, business owners and other business persons?
- ★ Do Member States use specific procedures or specific tailored schemes to attract and facilitate the admission of these categories of third-country nationals (e.g. possibility of shortening or waiving visa requirements, e-visas, cutting red-tape for residence permits, improving and fine-tuning procedures based on experience etc.)?
- ★ What are the main restrictions/obstacles to the admission of these categories of migrants (e.g. access to visas, border controls, pre-entry requirements, documentary evidence requirements, fees, admission conditions, labour market tests, entry quotas, etc.)?
- ★ What is the extent of misuse / abuse of these migration channels? What are the mechanisms Member States envisaged to monitor and reduce the risk of misuse / abuse of these specific migration channels?
- ★ Is there evidence to suggest that admission requirements are 'business friendly'? How effective are programmes for immigrant investors and business owners in attracting investment and contribute to economic growth? What has worked best and why? What are the good practices and lessons learned?
- ★ What additional measures could be taken at national or EU level to improve information sharing and consultation among Member States in order to make these programmes more effective? What bilateral / other agreements facilitate such flows?
- ★ To what extent are the pre-defined six "Mode 4" categories applied across Member States?

5 RELEVANT SOURCES AND LITERATURE

EMN Ad-Hoc Queries

At least five relevant Ad-Hoc Queries have been launched in the period 2009-2014 on topic related to immigrant investors. The 2009 and 2011 EMN Ad-Hoc Queries on Issuance of Residence Permits in Case of Purchasing a Real Property in a Member State and on Limitations to acquiring real estate by third-country nationals¹¹, the 2012 Ad-Hoc Query on the duration of residence permits¹², the 2013 Ad-Hoc Query on Residence requirements for investors¹³ and the 2012¹⁴ and 2014¹⁵ EMN Ad-Hoc Queries on Wealthy immigrants / investors have tackled specific categories of third-country nationals admitted to the purpose of business or investment. The upcoming EMN Ad-Hoc Queries on Fees for issuance of residence permits to third country nationals¹⁶ and on Applicable Fees for Residence Permits¹⁷ will provide information applicable to certain categories of business people. Though EMN Ad-Hoc Queries show a significant rise in the number of Member States in facilitating the avenues of entry of investors, a systematic review of all Member States programmes and the evaluation of their impact have not been yet carried out. This Study will take stock of and develop on the information already provided by these two documents. Also, two additional Ad-Hoc Queries are relevant to the topic of immigrant business owners, namely those on Aliens carrying business¹⁸ and on Requirements for operating a business activity.¹⁹

Studies and reports

¹¹ EMN (2009) No.154, Ad-Hoc Query on Issuance of Residence Permits in Case of Purchasing a Real Property in a Member State, requested by LV EMN NCP on 16 September 2009 and EMN (2011) No. 324, Ad-Hoc Query on limitations to acquiring real estate by third-country nationals, requested by EE EMN NCP on 26 May 2011.

¹² EMN (2012) No.428, Ad-Hoc Query on the duration of residence permits, requested by EL EMN NCP on 5 October 2012

¹³ No. 464 Ad-hoc query on residence requirement for investors, requested by EE EMN NCP on 4 March 2013

¹⁴ EMN (2012) No.414, Ad-Hoc Query on Wealthy immigrants, requested by NL EMN NCP on 17 July 2012

¹⁵ EMN (2014) Ad-Hoc Query on Wealthy immigrants

¹⁶ EMN (2014) Ad-Hoc Query on Applicable Fees for Residence Permits, requested by LU EMN NCP and COM on 18 March 2014

¹⁷ EMN (2014) Ad-Hoc Query on Fees for Residence Permits, requested by NL EMN NCP on 20 March 2014

¹⁸ EMN (2009) Aliens carrying business, requested by CZ EMN NCP on 3 February 2009.

¹⁹ EMN (2014) Ad-Hoc Query on Requirements for operating a business activity, requested by ES EMN NCP on 7 May 2014

The 2012 EMN Study *Visa policy as migration channel*²⁰ and the 2013 EMN Studies *Attracting highly qualified and qualified third-country nationals to the EU*²¹ and *Intra-EU Mobility of Third-Country Nationals*²² (in part) cover and/or address aspects relating to the present Study.

Information on Member States practices related to visa procedures and attracting schemes for third-country nationals travelling under uniform Schengen were covered by the 2013 DG Home Affairs Impact Assessment Study supporting the review of the Union's visa policy to facilitate legitimate travelling²³, by the 2013 DG Enterprise Study on the economic impact of short stay visa facilitation on the tourism industry²⁴ and on the overall economies of EU Member States being part of the Schengen Area. Both of these studies present a set of recommendations to the European Commission on how to facilitate the arrival of third country-nationals (regular travellers, businessmen or tourists) to the Schengen Area.

A number of European, international and national level studies have immigrant entrepreneurship and investments as their focus. The OECD Study *“Open for Business: Immigrant entrepreneurship in OECD Countries”*²⁵ shows the contribution of migrants to the economic growth of their host countries, bringing new skills and competencies with them and helping to reduce labour shortages. Immigrant entrepreneurship has gone beyond traditional ethnic businesses, into a wide range of sectors and innovative areas. Greater knowledge of immigrant entrepreneurship is essential if policy makers are to better support migrant enterprises and their role in economic growth and job creation. This analysis is confirmed by the findings of the 2011 OECD *“International Migration Outlook”*.²⁶

Similar studies on the contribution of immigrant entrepreneurs to the US economy include *“America’s New Immigrant entrepreneurs”* by the Kauffman Foundation and *“Immigrant entrepreneurs: creating jobs and strengthening the economy”* by the Immigration Policy Centre, both studies showing the potential for immigrant entrepreneurship in the EU.

At national level, a study on *“Immigrant entrepreneurship and New Urban Economic Opportunities”* of immigrant entrepreneurs in Dutch cities identifies critical success factors for entrepreneurs and shows how their business is critical for economic growth in urban contexts.

A recent study on *“The Contribution of New Immigrant entrepreneurs in the UK”*, published in March 2014, shows how immigrant entrepreneurs profound effects on their communities, and create jobs for local workers and stimulate growth for the wider economy.

6 AVAILABLE STATISTICS

EU level

At EU level, there are no consolidated statistics on the numbers of immigrant investors and immigrant business owners. In a similar vein, there is no periodic data collection by Eurostat on other business persons (including Mode 4 categories).

National level

At national level, statistics on **immigrant business owners** are likely not readily available and probably not comparable given the different policies in place in the Member States. The number of permits granted to immigrant business owners might be obtained from immigration authorities.

Statistics on **immigrant investors** applying for residence in the Member States are likely to be available at least for those Member States that have specific schemes in places to attract investors. Available data on the number of investors who applied and the number of permits granted to them and their family members should be available from immigration offices and other relevant authorities.

The extent to which data on **other business persons**, which includes (but is not limited to) the “Mode 4” categories, are available is not clear at this stage, though the Impact Assessment accompanying the ICT Directive Proposal already highlighted a lack of comparable statistics for the specific category of intra-corporate transferees. In order to understand the extent to which relevant statistics might be available, the EMN Statistics Working Group

²⁰ Available from the EMN [website](#)

²¹ Available from the EMN [website](#)

²² Available from the EMN [website](#)

²³ ICF GHK for DG Home Affairs (2013).

²⁴ Ramboll for DG Enterprise (2013). Available at:

http://ec.europa.eu/enterprise/sectors/tourism/files/visas_study_2013/final_report_visas_facilitation_en.pdf

²⁵ OECD (2010), *Open for Business: Migrant Entrepreneurship in OECD Countries*

²⁶ OECD (2011) *International Migration Outlook*

was kindly invited to provide some preliminary feedback on the inclusion of statistics in the Common Specifications and to trial the collection of statistics in their Member State.

7 DEFINITIONS

'Immigrant investor'

Third-country national meeting the criteria set by a Member State and admitted on a long-stay visa to a Member State for the purpose of making a (substantial) financial investment either in financial products or in a business but without involving in the day to day operations or in the management of business.

'Immigrant business owner'

Third-country national meeting the criteria set by a Member State and admitted on a long-stay visa to the Member State to i) set up a business and be involved in its management; ii) take over the running of a business or businesses and be involved in its management; iii) or for self-employment.

'Intra-corporate transfer'²⁷

Temporary secondment for occupational or training purposes of a third-country national who, at the time of application for an intra-corporate transferee permit, resides outside the territory of the Member States, from an undertaking established outside the territory of a Member State, and to which the third-country national is bound by a work contract prior to and during the transfer, to an entity belonging to the undertaking or to the same group of undertakings which is established in that Member State, and, where applicable, the mobility between host entities established in one or several second Member States;

'Intra-corporate transferee'²⁸

Any third-country national who resides outside the territory of the Member States at the time of application for an intra-corporate transferee permit and who is subject to an intra-corporate transfer;

'Long-stay' visa (or National D-Type visa)

'Long-stay visa' means the authorisation or decision of a Member State required for entry for an intended stay in that Member State of more than three months (Source: EMN Glossary V 2.0).

'Other business persons'

All categories included in (but not limited to) the "Temporary Movement of Natural Persons (or "Mode 4" categories) admitted to a Member State on a short-stay visa or a long-stay visa for the purpose of doing business which are nor immigrant investors nor immigrant business owners.

'Residence permit'

Any authorisation issued by the authorities of a Member State allowing a third-country national to stay legally in its territory, in accordance with the provisions of Article 1(2)(a) of Council Regulation (EC) No 1030/2002 of 13 June 2002 laying down a uniform format for residence permits for third-country nationals (Source: EMN Glossary V 2.0).

'Short-stay' visa (or Schengen C-Type visa)

The authorisation or decision of a Member State required for entry for an intended stay in that State or in several Member States for a period whose total duration does not exceed 90 days in any 180-day period (Source: Visa Code as amended by Regulation (EU) No 610/2013).

'Temporary movement of natural persons' (or 'Mode 4' Categories)²⁹

²⁷ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/jha/142571.pdf Article 3 b) of the Directive 2014/66/EU

²⁸ Article 3 c) of the Directive 2014/66/EU

'Mode 4' is one of the four ways through which services can be supplied internationally under the General Agreement on Trade in Services (GATS). It covers the supply of a service by a service supplier of one Member of the Agreement, through the presence of natural persons of a Member in the territory of another Member, and covers the temporary movement of natural persons for the purpose of supplying a service.

EMN FOCUSED STUDY 2014

Admitting third-country nationals for business purposes Czech Republic

The study on Admitting third-country nationals for business purposes was developed by the national contact point within the European Migration Network (hereinafter, „EMN“) according to a single specification for all Member States contributing to the study. The outcomes from specific national reports will be subsequently incorporated into a synthesis study of the European Commission, which will compare the results obtained from the studies conducted in specific Member States.

The study focuses on legal, business-related immigration and addresses conditions for entry and stay of immigrant investors and immigrant business owners and other business persons. It explores the national rules and restrictions in place to regulate their admission, as well as the effectiveness of legislation and policies to facilitate it, whilst preventing abuse.

This study was conducted through analysing documents, legal standards and statistics, with consultations with relevant public administration experts playing a key role in this area - staff of the Ministry of the Interior and the Ministry of Industry and Trade of the Czech Republic.

The study is divided into five chapters with an Annex added containing statistical data. The first chapter focuses on national frameworks on admitting third-country nationals for business purposes. The second chapter deals with the measures to prevent misuse / abuse of immigration channels for business purposes. The third chapter maps the evaluation of policies to admit third-country nationals for business purposes, challenges and barriers. The fourth chapter deals with good practices and lessons learned. The last, fifth chapter, provides summary and information regarding the possible future changes in the area of business-related immigration.

The statistical data in the Annex 1 provide available information on the number of visa / residence permits applications, visa / residence permits issued and refused and average age of applicants for long-term visa for the business purpose whose applications were approved.

²⁹ The complete list of categories, criteria for admission and length of stay of the pre-defined six "Mode 4" categories is provided in Annex 2

National legislation / policies in place to facilitate the admission of immigrant investors, business owners and other business persons

At the end of 2013, holders of long-term (D-type) visas and residence permits for the purpose of business constituted approximately one third (33 %) of all third-country nationals temporary residing in the Czech Republic: 22 % of them were self-employed persons (in total 21,500 persons) and 11 % of them were representatives (statutory bodies or the members of statutory bodies) of business companies and cooperatives (in total 10,911 persons).

The Czech system of admission of third-country nationals for business purposes which was introduced in 1999 when the Act No. 326/1999 Coll., on Residence of Foreign Nationals in the Territory of the Czech Republic, was adopted is currently considered to be outdated and not sufficiently effective. In the past years, the Act went through certain minor legislative changes, but the Ministry of the Interior and other relevant ministries plan to introduce a new complex draft amendment in 2015 which would introduce a substantial reform of the business-related immigration system.

A third-country national who intends to do business in the Czech Republic always enters the territory for the first time as a visa holder. He/she may obtain a C-type short-term Schengen visa which is issued for a stay up to 90 days or a national long-term D-type visa which is issued for a stay over 90 days. An application for a visa is submitted at the relevant embassy of the Czech Republic. The maximum period of validity of a long-term visa is 6 months and is not extendable. However, its holder is allowed to apply for a long-term residence permit which may be issued with a maximum period of validity of 2 years and might be repeatedly extendable. A third-country national staying in the Czech Republic on the basis of a long-term residence permit issued for the purpose other than business is allowed to apply for the change of this purpose to business but he/she may do so only after 2 years of previous stay in the Czech Republic. A third-country national is allowed to apply for a permanent residence permit in the Czech Republic after 5 years of a continuous stay. Long-term visas, long-term residence permits and permanent residence permits are issued by the Ministry of the Interior.

The current system of admission of third-country nationals for business purposes recognizes 2 categories of immigrants: 1) self-employed persons and 2) representatives of legal entities (statutory bodies or the members of statutory bodies of business companies and cooperatives). Both categories fall within the scope of this study's definition of "immigrant business owners". Representatives of legal entities are required to be authorized to act on behalf of the entity and be involved in management or day to day business operations. There is no category of a foreign immigrant investor who may be granted a long-term visa solely on the grounds of making a financial investment in the Czech Republic without being involved in any business. Other business persons specified in the international trade agreements are also not defined in the Czech national migration legislation.

In comparison with immigration systems of other EU Member States, the Czech system of admission of third-country nationals for business purposes is considered to be very liberal. An applicant for a long-term visa for the purpose of business is not required to make any investment, present any business plan or create any job vacancies. However, all applicants are obliged to go through an interview at the embassy during which they have to provide a reliable explication of their intended business activities in the Czech Republic. A third-country national has to meet the conditions for doing business in the Czech Republic, e. g. to obtain a Trade Licence if it is required, and to be registered in the Trade Register, Commercial Register or other relevant register (e. g. the list of authorized advocates or physicians). All foreign nationals regardless of their nationality are allowed to do business in the Czech Republic under the same conditions as Czech nationals.

In order to support the immigration of selected target groups of third-country nationals, the Czech Republic introduced special migration projects which serve as major tools for attracting foreign investors. The participants of these projects may obtain visas or residence permits for the purpose of business or employment in

a speeded-up procedure not extending 30 days. The Czech Republic has launched 3 projects for economic migrants called *Fast Track* (launched in 2012), *Welcome Package for Investors* (launched in 2013) and *Facilitation of Admission and Stay of Important Economic Partners* (launched in 2014).

Section 1: National frameworks for admitting third-country nationals for business purposes

For the national policies, the questionnaire asks first for information about the national policies in relation to **immigrant investors** (Sections 1.1 – 1.2), then for **immigrant business owners** (1.3 - 1.4) and finally for **other business persons** (Sections 1.5 – 1.6)

Section 1.1: Immigrant investors: overview of national policies (Maximum 1 page)

*This section asks for information on the national institutional framework and the main policy objectives in relation to **immigrant investors** from third-countries. It will provide a mapping of the national stakeholders involved in the design and implementation of the policies to attract such investors, and the incentives that apply.*

The current Czech legislation does not define "immigrant investors". The Czech immigration system recognizes only 2 categories of third-country nationals who may obtain long-term visas for the purpose of business: 1) self-employed person & 2) representative of a legal entity (i.e. a statutory body or the member of a statutory of a company or cooperative). Both categories fall within the scope of this study's definition of "immigrant business owners". None of these two categories of immigrants is required to make any substantial investment in the Czech Republic and thus are not legal entities which they represent (except from the required capital of the company which, in the case of a limited liability company, could be only 1 CZK). Representatives of legal entities have to be authorized to act on behalf of that entity and therefore they are expected to be involved in the day to day operations or in the management of business. A third-country national interested in "making a substantial financial investment either in financial products or in a business but *without* involving in the day to day operations or in the management of business" would not be granted a long-term visa but only a short-term visa.

Q1. How does the national legislation of your Member State define immigrant investors?

There is no definition, see above.

Q2a. Does your Member State have a specific policy, programme or scheme for immigrant investors?

No, it does not.

Q2b. If yes, please provide more information about the specific policy, programme or scheme, including a) the name of the policy / programme / scheme: b) its main policy objectives (Neutral, pro-active); whether it targets c) specific investment types e.g. real estate, transfer of capital, national funds / bonds, business investments, endowment to public projects, mixed investments, joint ventures, etc. or d) economic sectors / geographical areas / strategic partners; and whether e) a quota / limitation system is in place to govern the number of entries or permits that can be issued to migrant investors?

N/A

a) Name of policy / programme and legal basis

b) Main policy objectives

Admitting third-country nationals for business purposes

c) Type of investment (e.g. real estate, transfer of capital, national funds / bonds, business investments, endowment to public projects, mixed investments, joint ventures, etc.)

d) Priority national economic sectors / priority national geographical areas / countries of origin targeted / strategic partners required.

e) Quotas in place

Q3a. What is/are the main actor(s) and institution(s) involved in the development of policies to attract immigrant investors? If multiple authorities are involved, how are they coordinated? Is there an official mandate – e.g. an Action Plan - governing the involvement of these authorities?

None.

Q3b. Which actor / institution is responsible for the promotion of the policy with the target group?

None.

Q4a. Does your Member State have specific measures in place to attract immigrant investors?

No, it does not.

Q4b. If yes, Please complete the table below with regard to the (applicable) policy measures in place to attract immigrant investors in your Member State.

Measures	Brief description of the measure in the Member State
What do these specific measures entail? (active promotion / information dissemination / campaigns / events including in third countries, etc.)	
Does a list of specific procedural facilitations for admission exist? If yes, please explain what they entail (reduced costs, shortened processing time, reduced documentary requirements, minimum residence period required (per year), possibility of renewal, etc.)	

Admitting third-country nationals for business purposes

Are there specific tax incentives? (benefits, exemptions, etc.)	
Does the possibility exist for immigrant investors to be accompanied by family members? Are family members allowed to access the labour market?	
Are immigrant investors granted access to social benefits?	
Are immigrant investors granted access to citizenship?	
Other (please state)	

Q5a Does your Member State have any bilateral or other agreements in place with Third Countries to attract immigrant investors?

No.

Q5b. Does your Member State share information with other Member States? Does your Member State consult other Member States on the issuing of the documents listed in Q4.b to immigrant investors?

No.

[Section 1.2: Immigrant investors national policies: pre-arrival stage \(admission criteria\) and stay \(renewal\) \(Maximum 3 pages\)](#)

Section 1.2 aims at providing an overview of the admission criteria applied by Member States in order admit immigrant investors from third-countries to the national territory. The section also examines whether Member States require investors to submit an investment plan and the specific procedures in place with regard to this. Finally, this section touches upon also criteria linked to the renewal / withdrawal of their residence permit / long-stay visa.

Q6a. Please indicate which of the list act as criteria to admit immigrant investors in your Member State in the table below. All listed requirements imply a Yes/No answer: in affirmative cases, EMN NCPs are asked to describe the criteria. If possible, EMN NCPs should also explain whether the same criteria apply to third-country nationals admitted to the national territory under a different immigration channel (family reunification, study, etc.) but willing to change their status into immigrant investors.

Admission criteria	Explanation	Do the same criteria apply to third-country nationals present in your Member State who have another status and are willing to change it into investor?
Minimum financial amount to invest (please indicate the financial amounts applied to each of	N/A	N/A

Admitting third-country nationals for business purposes

<i>the investment types identified above in Question 2b point c)</i>		
Investment plan <i>If Yes, please complete the table in Q6b</i>	N/A	N/A
Expected Impact of proposed investment in the Member State <i>(economy, public life etc.)</i>	N/A	N/A
Minimum Education / Professional skills	N/A	N/A
Language knowledge <i>(certification, pre-entry tests, mandatory courses, etc.)</i>	N/A	N/A
Age requirement for applicants <i>(minimum / maximum)</i>	N/A	N/A
Security / health / background checks in place <i>(origin of investment, fraud checks, previous bogus activities, etc.)</i>	N/A	N/A
Other <i>(please state)</i>	N/A	N/A

Q6b. In case an investment plan is required, EMN NCPs are asked to complete the table below. All listed requirements imply a Yes/No answer: in affirmative cases, EMN NCPs are asked to describe the requirements with additional information.

Investment plan requirements	Explanation
Information required on legal aspects of the investment.	N/A
Information required on the commercial and financial aspects <i>(nature of the investment, origin of the capital to invest, target groups, preliminary contracts, performance indicators, etc.)</i>	N/A
National institution responsible	N/A

Admitting third-country nationals for business purposes

for the assessment/ approval	
Duration of examination / due diligence phase	N/A
Documentation required (If a list exists, please report it here)	N/A
Review period	N/A
Other	N/A

Q7. If the criteria for admission are satisfied what initial document is issued? Please provide any detail on:

- type of document issued (e.g. short-stay visa, authorisation to stay, long-stay visa, residence permit, etc.)
- its duration
- whether it is longer than the usual duration which applies to other categories of third-country nationals
- whether its validity differs (and how) from its renewal.

N/A

Q8. Where and by which institution / organisation (internal or abroad) are the documents issued? (e.g. diplomatic mission in the third country; other responsible representative; intermediary agency, etc.)

N/A

Q9. EMN NCPs are asked to provide information on the criteria to be met in case of extension of the document issued for the stay of immigrant investors. Please provide details of the type of document issued and its duration.

Renewal criteria	Explanation
What are the requirements related to the purpose of stay (investment) that need to be met in order to prolong/extend the initial authorisation of stay/ long-stay visa/residence permit?	N/A

[Section 1.3: Immigrant business owners: overview of national policies \(Maximum 1 page\)](#)

This section asks for information on the national institutional framework and the main policy objectives in relation to **immigrant business owners** from third-countries. It will provide a mapping of the national stakeholders involved in the design and implementation of the policies to attract business owners, and the incentives that apply.

Q9. How does the national legislation of your Member State define immigrant business owners?

- 1) Self-employed person
&
2) Representative of a legal entity authorized to act on behalf of that entity: a statutory body or the member

of a statutory body (e. g. an associate, managing director) of a commercial company (e.g. Inc., Ltd.) or a cooperative.

Q10a. Does your Member State have a specific policy, programme or scheme for immigrant business owners?

Yes

Q10b. If yes, please provide more information about the specific policy, programme or scheme, including a) the name of the policy / programme / scheme: b) its main policy objectives (Neutral, pro-active); whether it targets c) specific type of businesses and / or d) economic sectors / geographical areas / strategic partners; and whether d) a quota / limitation system is in place to govern the number of entries or permits that can be issued to immigrant business owners?

a) Name of policy / programme

Apart from the standard business migration scheme, the Czech Republic has two migration projects for specific target groups of third-country nationals who are statutory bodies of the subsidiaries of multinational companies in the Czech Republic. The projects in which the business owners may participate are called *Fast Track* and *Welcome Package for Investors*.

b) Main policy objectives

To speed-up immigration procedure (the process of issuing of a long-term visa) of participants of the above-mentioned projects. The participants of the projects may obtain visas or residence permits for the purpose of business in a speeded-up procedure not extending 30 days (in other cases a foreign national's application for a long-term visa for the purpose of business must be processed within 90 days).

c) Type of business (e.g. any specific sector, knowledge-based sector, start-up / spin-off, etc.)

- Project *Fast Track* – established subsidiaries of multinational companies
- Project *Welcome Package for Investors* – newly founded subsidiaries of multinational companies

d) Priority national economic sectors / priority national geographical areas / countries of origin targeted / strategic partners required.

Priority national economic sectors: none.

Priority national geographical areas: none.

Countries of origin targeted:

- Project *Fast Track* – all third countries
- Project *Welcome Package for Investors* – third countries whose nationals are exempted from the requirement to be in possession of visas when crossing the external borders of the Member States for stays not exceeding three months (according to the Council Regulation (EC) No 539/2001, as amended)

Strategic (non-governmental) partners: none.

e) Quotas in place

Admitting third-country nationals for business purposes

Tentative quota of 100 participants in each project per year.

Q11a. What is/are the main actor(s) and institution(s) involved in the development of policies to attract immigrant business owners? If multiple authorities are involved, how are they coordinated? Is there an official mandate – e.g. an Action Plan – governing the involvement of these authorities?

All national migration policies are coordinated by the Ministry of the Interior which is responsible for the regulation of migration inflows and homeland security. It has established several permanent inter-ministerial bodies to deal with migration issues.

Other relevant institutions involved in the development of policies to attract immigrant business owners:

- Ministry of Trade and Industry is responsible for the regulation of business in the Czech Republic and support of national economic development; it defines objectives of business migration policies according to economic interests and needs of the Czech Republic.
- Ministry of Foreign Affairs is responsible for international relations and diplomacy of the Czech Republic; its diplomatic missions participate in implementation of policies by granting short-term visas.

There is no Action Plan for development of policies to attract immigrant business owners. Involvement of relevant authorities depends on the scope of their competence.

11b. Which actor / institution is responsible for the promotion of the policy with the target group?

The Ministry of Trade and Industry (and its agency *CzechInvest*) and diplomatic missions of the Czech Republic disseminate information among companies and entrepreneurs both in the Czech Republic and abroad.

(The main objective of *The Business and Investment Development Agency CzechInvest* is to advise and support existing and new entrepreneurs and foreign investors in the Czech Republic).

Q12a. Does your Member State have specific measures to attract immigrant business owners?

No

Q12b. If yes, Please complete the table below with regard to the policy measures in place to attract immigrant business owners in your Member State.

Measures	Brief description of the measure in the Member State
<p>What do these specific measures entail? (active promotion / information dissemination / campaigns / events including in third countries, etc.)</p>	
<p>Does a list of specific procedural facilitations for admission exist? If yes, please explain what they entail (reduced costs, shortened processing time, reduced documentary requirements, minimum residence period required (per year), possibility of renewal, etc.)</p>	

Admitting third-country nationals for business purposes

Do specific support measures exist? (financial / logistic, business support to applicants to establish a business plan, recognition of qualification etc.)	
Are there specific tax incentives? (benefits, exemptions, etc.)	
Are immigrant business owners granted access to social benefits?	
Are immigrant business owners granted access to citizenship?	
Does the possibility exist for immigrant business owners to be accompanied by family members? Are family members allowed to access the labour market?	
Other (please state)	

Q13a Does your Member State have any bilateral or other agreements in place with Third Countries to attract immigrant business owners?

No.

Q13b. Does your Member State share information and coordinate its policies with other Member States? Does your Member State consult other Member States on the issuing of the documents listed in Q15 to immigrant business owners?

Yes, the Czech Republic coordinates its policies with other Member States, if need be.

No, the Czech Republic does not consult issuing of initial documents with other states.

[Section 1.4: Immigrant business owners national policies: pre-arrival stage \(admission criteria\) and stay \(renewal\) \(Maximum 3 pages\)](#)

Section 1.4 aims at providing an overview of the admission criteria applied by Member States in order admit immigrant business owners from third-countries to the national territory. The section also examines whether Member States require business owners to submit a business plan and the specific procedures in place with regard to this. Finally, this section touches upon also criteria linked to the renewal / withdrawal of their residence permit / long-stay visa.

Q14a. Please indicate the criteria to admit immigrant business owners in your Member State in the table below. All listed requirements imply a Yes/No answer: in affirmative cases, EMN NCPs are asked to describe the criteria. If possible, EMN NCPs should also explain whether the same criteria apply to third-country nationals admitted to the national territory under a different immigration channel (family reunification, study, etc.) but willing to change their status into immigrant investors. If possible, EMN NCPs should also explain whether the same criteria apply to third-country nationals admitted to the national territory under a different immigration channel (family reunification, study, etc.) but willing to change their status into immigrant investors.

Admitting third-country nationals for business purposes

Admission criteria	Explanation	Do the same criteria apply to third-country nationals present in your Member State who have another status and are willing to change it into business owners?
Evidence of entrepreneurial skills (<i>experience in running businesses, turnover of activities in the country of origin, etc.</i>)	None.	Yes.
Minimum level of educational achievement / professional skills (<i>please specify</i>)	No. However, certain achieved level of education and/or professional experience might be required from a third-country national if he/she applies for a trade licence, registration in the Trade Register and/or registration in the list that is a condition for carrying out an independent occupation (e. g. an advocate, a physician).	Yes.
Evidence of capital (<i>minimum sum required</i>)	<p>No evidence of capital for business, only sufficient funds for living in the Czech Republic (for 6 months).</p> <p>A third-country national applying for a long-term visa for the purpose of business is obliged to prove availability of financial resources that are at least 50 times the amount of the existential minimum (in 2014: $50 \times 2,200 \text{ CZK} = 110,000 \text{ CZK} = 4,000 \text{ EUR}$). Applicants for long-term visas for other purposes are required to prove approx. 50 % of that amount).</p> <p>If a third-country national founds a new company in the Czech Republic, its capital has to be invested. However, e.g. a minimum capital of the limited liability company in the Czech Republic is 1 CZK (0.04 EUR).</p>	No. Third-country nationals already present in the Czech Republic do not apply for a visa. Instead of proving sufficient funds, they have to prove a sufficient regular income.
Contribution to the economy / employment of the Member State (<i>national interest, "jobs - created", contribution to specific sector, innovativeness of activity, introduction of new technologies, etc.</i>)	No.	Yes.
Business plan <i>If a business plan is required, please complete the table in Q14b</i>	No.	Yes.

Admitting third-country nationals for business purposes

Language knowledge (certification, pre-entry tests, mandatory courses, etc.)	No.	Yes.
Age requirement for applicants (minimum / maximum)	No.	Yes.
Insurance requirement (personal and/or for the investment)	Yes. Third-country national's personal health and social security insurance is required.	Yes.
Security / background checks in place (fraud checks, tax avoidance, previous bogus activities, money origin / money laundering, etc.)	Yes. a) Extract from the Penal Register or a similar register (also called Police Clearance Certificate) issued by the state of which a foreigner is a citizen, as well as the states in which, in the last 3 years, he has resided continuously for a period longer than 6 months, can be required b) Medical report stating that a third-country national does not suffer from any serious illness can be required c) An applicant for a long-term visa for the purpose of business is always interviewed by the relevant embassy of the Czech Republic d) Intelligence and/or homeland security agencies of the Czech Republic are involved in the procedure of issuing of a long-term visa.	No.

Q14b. In case a business plan is required, EMN NCPs are asked to complete the table below. All listed requirements imply a Yes/No answer: in affirmative cases, EMN NCPs are asked to describe the requirements with additional information:

Business plan	Explanation
National institution responsible for the approval / Self-assessment	
Information required on legal aspects of the business (form of the business, principal activity, subsidiary of existing activity)	
Information required on the commercial and financial aspects (type of business / services, origin of the capital to invest, target groups, preliminary contracts, nature of the	

Admitting third-country nationals for business purposes

<i>investment, performance indicators, feasibility analysis, etc.)</i>	
Duration of examination of the business plan	
Documentation required (please provide a list of the documents required)	
Review period	
Other	

Q15. If the criteria for admission are satisfied what initial document is issued? Please provide any detail on:

- type of document issued (e.g. short-stay visa, authorisation to stay, long-stay visa, residence permit, etc.),
- its duration
- whether it is longer than the usual duration which applies to other categories of third-country nationals
- whether its validity differs (and how) from its renewal.

Type of document: long-term visa for the purpose of business.

Duration: maximum 6 months.

Some other categories of third-country nationals falling within the scope of EU directives may (or have to) directly obtain long-term residence permits valid up to 2 years (employees, family members, students, long-term residents in other EU Member States, scientific research workers) instead of long-term visas. However, all long-term visas issued by the Czech Republic have the same validity period of 6 months.

Long-term visa cannot be extended but its holder may apply for a long-term residence permit (valid up to 2 years) in the territory of the Czech Republic.

Q16. Where and by which institution / organisation (internal or abroad) are the documents issued? (e.g. diplomatic mission in the third country; other responsible representative; intermediary agency, etc.)

Diplomatic mission in the third country.

Q17. EMN NCPs are asked to complete the information requested in the table below in relation to registration of businesses by immigrant business owners in your Member State:

Registration of businesses by immigrant business owners in your Member State	Explanation
National institution responsible for the registration of the business in the Member State	<p>Trade Licensing Offices are responsible for registration of self-employed persons in the Trade Register.</p> <p>Register Courts are responsible for registration of legal entities (business companies and cooperatives) and natural persons who are representatives of these entities (statutory bodies) in the Commercial Register.</p> <p>Certain other subjects are responsible for registering a third-country national in the list that is a condition of carrying out an independent occupation (e. g. chamber of advocates, physicians etc.).</p>
Type of business (main business,	All types of business are registered: main business founded in the Czech

Admitting third-country nationals for business purposes

<p><i>subsidiary or branch. Please explain whether it is a transparent or non-transparent entity for tax reasons, i.e. determining if the business owners registers himself/herself as an individual or as a legal entity).</i></p>	<p>Republic, a subsidiary of an international company, a branch of an international company.</p> <p>Self-employed persons are registered as individuals. A legal entity is registered as a taxpayer; its representatives are registered as individual payers of a personal income tax etc.</p>
<p>Place of registration of business (in the Member State or in the country of origin / a third country. Is it mandatory for a third country national to be present in a country when registering a business or can this be done outside (using an agent / third party)?</p>	<p>Business must be registered in the Czech Republic.</p> <p>A third-country national does not have to be present in the Czech Republic, a business can be registered by an intermediary provided that he/she has received notarized power of attorney.</p>
<p>Main requirements for registration of business (capital, employees. Please state whether the requirements is different from that applied to EU nationals)</p>	<p><u>Registration in the Trade Register:</u></p> <ul style="list-style-type: none"> • a document similar to an extract from the Penal Register record issued by the country of origin, • a document proving professional qualifications for the business, • an address of the business in the Czech Republic (e. g. an extract from the Land Register, rental agreement). <p><u>Registration in the Commercial Register:</u></p> <p>If a new statutory body or its member is being registered:</p> <ul style="list-style-type: none"> • consent of a new statutory body or its member to represent a legal entity, • a notarized document proving that a third-country national becomes a new statutory body or its member by decision taken according to the law and the articles of association of the legal entity, • a document similar to an extract from the Penal Register record, • an affidavit affirming that a third-country national meets legal requirements for doing business, • a document proving that a share in the company has been paid (if a third-country national is a new associate). <p>If a new legal entity is being founded:</p> <ul style="list-style-type: none"> • minimum capital of the legal entity has to be covered, • an address of the business in the Czech Republic (e. g. an extract from the Land Register, rental agreement), • an extract from the Trade Register (Trade Licence, if needed), • a notarized partnership agreement & articles of association. <p>Requirements for third-country, EU and Czech nationals are equal.</p>
<p>Does your Member State impose restrictions to admit immigrant business owners based on the type of business, the specific sector or</p>	<p>No.</p>

Admitting third-country nationals for business purposes

their country of origin?	
Other (Health, etc.)	<p>Czech Social Security Administration – mandatory registration of a third-country national for social security insurance reasons</p> <p>Tax Offices – mandatory registration of a third-country national for tax reasons.</p> <p>Health insurance companies – mandatory registration of a third-country national for health insurance reasons.</p>

Q18. EMN NCPs are asked to provide information on the criteria to be met in case of extension of the document issued for the stay of immigrant business owners. Please provide details of the type of document issued and its duration.

Renewal criteria	Explanation
What are the requirements related to the purpose of stay (business) that need to be met in order to prolong/extend the initial authorisation of stay/ long-stay visa/residence permit?	Valid registration of a third-country national in a relevant register (Trade Register, Commercial Register, list that is a condition of carrying out an independent occupation).
<p>Is there a requirement that a business is active during the extension of permits?</p> <p>If so, what indicators are used to assess this? (Volumes of turnover, amount of paid taxes, staff employed, compliance of immigrant investors and their investment, etc.)</p> <p>Who assesses this information?</p>	No.
Are there time-related requirements during which a business needs to have been started up, taxes paid and staff employed in order to get the validity of the document extended?	No.

Section A1.5: Other business persons: overview of national policies (Maximum 1 page)

Other business persons are not defined in the national legislation of the Czech Republic. If a third-country national applies for admission on the basis of a relevant free-trade agreement by which the Czech Republic is bound, a visa is issued according to the conditions and provisions of such agreement. In any other case, a standard national visa is issued. The purpose of stay of other business persons in the territory of the Czech Republic would not be strictly confined on business. For instance, intra-corporate transferees would obtain a work permit and a long-term residence permit for the purpose of *employment* which is called an *Employee Card*.

Some third-country nationals who fall in the scope of the definitions of sub-categories "BVEP" and "intra-corporate transferees" included in Annex 2 can take advantage of certain migration projects because they belong to the defined target groups. The projects in which other business persons may participate are called *Facilitation of Admission and Stay of Important Economic Partners* and *Welcome Package for Investors*.

*This section examines the conditions for the admission of **other third-country nationals who travel to the EU for business reasons** ("other business persons"). These categories include (but are not limited to) the temporary admission of third-country nationals under international trade agreements (i.e. the pre-defined six "Mode 4" categories tackled by the EU free-trade agreements listed in Annex 2). Other business persons may be admitted either on a short-stay visa or long-stay visa. EMN NCPs are asked to indicate if and how these categories are defined by the national legalisation of their Member State. They are required to indicate whether they are targeted*

Admitting third-country nationals for business purposes

by specific policies (programmes, schemes), whether they are admitted and registered as such in their administrative practices and/or separately from those entering via different migration channels.

EMN NCPs are also requested to provide information on current admission criteria, including the length of their stay, any other specific eligibility condition and collect available data.

Q19. How are the following categories (listed in Annex 2) defined under the national legislation of your Member State?

Categories of other business persons	Definitions
<i>Business visitors for establishment purposes (BVEP)</i>	No definition exists in the national legislation.
<i>Intra-corporate transferees (ICT)³⁰</i>	No definition exists in the national legislation.
<i>Business sellers (BS)</i>	No definition exists in the national legislation.
<i>Independent professionals (IP)</i>	No definition exists in the national legislation.
<i>Contractual services suppliers (CSS)</i>	No definition exists in the national legislation.
<i>Graduate trainees (GT)</i>	No definition exists in the national legislation.
<i>Other (please describe)</i>	No definition exists in the national legislation.

Q20. Does your Member State have a specific policy (programme, scheme) for other business persons as defined by the study template? EMN NCPs are asked to complete only the sections that are relevant to their national context.

Categories of other business persons	Is there a specific policy, for this categories of other business persons? Is it based on tailored multilateral/bilateral trade agreements with third countries?	Name of policy / programme	What are its main policy objectives (include info on priority national economic sectors / geographical areas / countries of origin if relevant)	Are there any quotas in place?
<i>Business visitors for establishment purposes (BVEP)</i>	Migration projects. Not based on any trade agreements.	1) Project <i>Facilitation of Admission and Stay of Import Economic Partners</i>	a) Objectives: to speed-up immigration procedure (issuing of a short-term / long-term visa) of participants of the projects. b) Priority national economic sectors: none. c) Priority national geographical areas:	Tentative quota of 100 participants in each project per year.

³⁰ For intra-corporate transferees, please indicate where the scope of current legislation and the definition used therein differ from Directive 2014/66/EU on intra-corporate transferees.

Admitting third-country nationals for business purposes

		2) Project <i>Welcome Package for Investors</i>	<p>Project <i>Facilitation of Admission and Stay of Important Economic Partners</i>: lower criteria are set for third-country nationals whose companies intend to make an investment in two selected regions ("kraj") of the Czech Republic (Ustecky kraj & Moravskoslezsky kraj).</p> <p>Project <i>Welcome Package for Investors</i>: none.</p> <p>d) Countries of origin targeted:</p> <p>Project <i>Facilitation of Admission and Stay of Important Economic Partners</i> – selected third countries (Azerbaijan, China, India, Japan, South Korea, Canada, Qatar, Kazakhstan, Kuwait, Oman, Russia, Saudi Arabia, United Arab Emirates, Turkey, Tai-wan).</p> <p>Project <i>Welcome Package for Investors</i> - third countries whose nationals are exempted from the requirement to be in possession of visas when crossing the external borders of the Member States for stays not exceeding three months in total (according to the Council Regulation (EC) No 539/2001, as amended).</p>	
<i>Intra-corporate transferees (ICT)</i>	Migration projects. Not based on any trade agreements.	<p>1) Project <i>Fast Track</i></p> <p>2) Project <i>Welcome Package for Investors</i></p>	<p>a) Objectives: to speed-up immigration procedure (issuing of visa) of participants of the projects.</p> <p>b) Priority national economic sectors: none.</p> <p>c) Priority national geographical areas: none.</p> <p>d) Countries of origin targeted:</p> <p>Project <i>Fast Track</i> – all third countries,</p> <p>Project <i>Welcome Package for Investors</i> - third countries whose</p>	Tentative quota of 100 participants in each project per year.

Admitting third-country nationals for business purposes

			nationals are exempted from the requirement to be in possession of visas when crossing the external borders of the Member States for stays of no more than three months in all (according to the Council Regulation (EC) No 539/2001, as amended).	
<i>Business sellers (BS)</i>	N/A			
<i>Independent professionals (IP)</i>	N/A			
<i>Contractual services suppliers (CSS)</i>	N/A			
<i>Graduate trainees (GT)</i>	N/A			
<i>Other (please describe)</i>	N/A			

Q21. Considering the specific policy (programme, scheme) in the previous question, what are the actor(s) and institution(s) involved in the development and implementation of policies on other business persons? If multiple authorities are involved, how are they coordinated? Is there an official mandate – e.g. an Action Plan – governing the involvement of these authorities? Which actor / institution is responsible for the promotion of such policy abroad?

Categories of other business persons	Actors/institutions involved in the development of these policies	Actors/institutions involved in the implementation of these policies	If multiple authorities are involved, how do they coordinate?	Is there an official mandate governing their roles?	Actors/institutions responsible for the promotion of such policy abroad
<i>Business visitors for establishment purposes (BVEP)</i>	Ministry of Trade and Industry, Ministry of the Interior, Ministry of Foreign Affairs.	Ministry of Trade and Industry (and its agencies CzechInvest and CzechTrade), Ministry of the Interior, Ministry of Foreign Affairs.	All national migration policies are coordinated by the Ministry of the Interior as an authority responsible for migration issues.	No.	Ministry of Trade and Industry (and its agencies CzechInvest and CzechTrade) and diplomatic missions.

Admitting third-country nationals for business purposes

<i>Intra-corporate transferees (ICT)</i>	Ministry of Trade and Industry, Ministry of the Interior, Ministry of Foreign Affairs.	Ministry of Trade and Industry (and its agencies CzechInvest and CzechTrade), Ministry of the Interior, Ministry of Foreign Affairs.	All national migration policies are coordinated by the Ministry of the Interior as an authority responsible for migration issues.	No.	Ministry of Trade and Industry (and its agencies CzechInvest and CzechTrade) and diplomatic missions.
<i>Business sellers (BS)</i>	N/A				
<i>Independent professionals (IP)</i>	N/A				
<i>Contractual services suppliers (CSS)</i>	N/A				
<i>Graduate trainees (GT)</i>	N/A				
<i>Other (please describe)</i>	N/A				

Section 1.6: Other business persons national policies: pre-arrival stage (admission criteria) and stay (renewal) (Maximum 3 pages)

Section 1.6 aims at providing an overview of the admission criteria applied by Member States in order admit subcategories within other business persons from third-countries to the national territory.

Q22. What are the criteria for the admission of other business persons to your Member State? Please answer by completing the table below entering in the last column also useful information on any pre-entry assessment which may be required (labour market test, proof of minimum period of employment, evidence of commitment to return after the temporary stay, minimum education / professional skills, language knowledge, qualifications/certifications, entry quotas, age requirement, insurance requirement, etc.).

Categories of other business persons	Are these categories admitted/endorsed in your systems (under a different name)? (Yes/No)	If yes, under which name are they registered in your systems?	What is the maximum duration of their stay?	What kind of document is issued when admitting other business person?	Is there a (exhaustive) <u>list</u> of admission criteria? If yes, please indicate the criteria.

Admitting third-country nationals for business purposes

<i>Business visitors for establishment purposes (BVEP)</i>	No.				
<i>Intra-corporate transferees (ICT)</i>	Yes.	A third-country national is considered to be a kind of a posted foreign worker defined as a third-country national posted by his or her foreign employer based outside the territory of the EU/EEA or Switzerland to perform work in the Czech Republic (to perform the tasks arising from a contract between this employer and a Czech legal entity or a natural person).	2 years (repeatedly extendable)	A work permit & an Employee Card.	<p>Requirements for application for a work permit:</p> <ul style="list-style-type: none"> • a contract between the posting legal entity and the receiving legal entity, • a document proving that a legal entity is authorized to business activities that are the subject of the contract, • a labour contract concluded between the posting entity and a posted third-country national. <p>Requirements for an application for an Employee Card:</p> <ul style="list-style-type: none"> • a work permit • a “posting letter” from which it is clear that regardless of the scope of work, the agreed monthly salary is not, or will not be, lower than

Admitting third-country nationals for business purposes

					the basic minimum monthly wage and that the amount of weekly working hours will be at least 15 hours.
<i>Business sellers (BS)</i>	No.				
<i>Independent professionals (IP)</i>	No.				
<i>Contractual services suppliers (CSS)</i>	No.				
<i>Graduate trainees (GT)</i>	No.				
<i>Other (please describe)</i>	No.				

Q23. EMN NCPs are asked to provide information on the criteria to be met in case of extension of the document issued for the stay of other business persons. Please provide details of the type of document issued and its duration.

Categories of other business persons	What are the requirements related to the purpose of stay (business) that need to be met in order to prolong/extend the initial documents issued?
<i>Business visitors for establishment purposes (BVEP)</i>	N/A
<i>Intra-corporate transferees (ICT)</i>	Extension of a work permit: extended contract between the posting and the receiving legal entity. Extension of an Employee Card: extended work permit.
<i>Business sellers (BS)</i>	N/A
<i>Independent professionals (IP)</i>	N/A
<i>Contractual services suppliers (CSS)</i>	N/A
<i>Graduate trainees (GT)</i>	N/A

Other (please describe)	N/A
-------------------------	-----

Section 2: Measures to prevent misuse / abuse of immigration channels for business purposes

Since categories of immigrant investors and other business persons are not included in the Czech immigration system, all available information on detected cases of misuse / abuse of immigration channels are related to business owners. The Czech national system of monitoring of activities of business owners, information from inspections and registration of other information is not centralized. Various authorities with various competencies control the compliance with migration and business rules, collect data and keep records. Detected problems thus cannot be tackled without close cooperation, common inspections and data sharing of relevant stakeholders and their systematic effort to remove obstacles for such cooperation.

*This section aims to provide an overview of the measures carried out by Member States for monitoring, detecting and preventing misuse of the migration channels in place for **immigrant investors, immigrant business owners and other business persons** and to explore and map the specific mechanisms in place. EMN NCPs are asked to describe the procedures involved and to provide information on the challenges associated to the detecting, monitoring and preventing misuses, and to distinguish where relevant between the different categories (if the mechanisms are different). This Sections aim to identify also the criteria for withdrawing*

Q24. Please provide the following information with respect to the prevention and detection of misuse abuse of immigration channels for immigrant investors, business owners and other business persons at admission stage and during stay. EMN NCPs are first asked to provide the definitions of misuse and abuse according to their national legislation and identify differences where possible.

Issue	Immigrant investors	Business owners	Other business persons
Does your national legislation provide for a definition of misuse and and/or abuse? If yes, do they differ? Please describe If no, how are they defined in practice?	No	No	No
What are the specific measures in place in the Member States to monitor, detect and prevent misuse/abuse at <u>admission stage</u>? (in addition to the criteria to be satisfied as reported under Sections 1.2)		Mandatory interview at the embassy of the Czech Republic after a third-country national submits his/her application for a long-term visa.	
What are the entities responsible for the monitoring of compliance of immigrant business owners and immigrant investors and what are their specific responsibilities? (Labour Inspectorate, Labour Exchange office, Tax authorities, Ministry of Interior, Migration services) Does a national referral mechanism (or its equivalent) exist? (Yes/No). If yes, how is information shared		Ministry of the Interior monitors the compliance with the permitted purpose of stay in the Czech Republic. Czech Social Security Administration monitors mandatory social security insurance payments. Trade Licensing Offices monitor the compliance with the business legislation. Tax Offices monitor the compliance with tax duties.	

Admitting third-country nationals for business purposes

<p>between stakeholders involved?</p> <p>Is there an obligation to inform about misuse/abuse identified by other institution (migration services, police, tax authority, etc.)</p>		<p>Customs Offices monitor the compliance with customs duties, protection of trademarks and labour legislation.</p> <p>Labour Inspection Offices monitor compliance with labour legislation and work safety.</p> <p>Referral mechanism does exist. If a third-country national reports to the Trade Licensing Office and/or the Czech Social Security Administration that she/h has stopped or ended his business or if his trade license is withdrawn by the Trade Licensing Office, these authorities have to inform the Ministry of the Interior which may cancel a third-country national's visa or residence permit.</p> <p>If the Labour Inspection Office imposes a fine on a business owner who employed another person without concluding a labour contract or this person is a foreign national who does not have a valid work permit / Employee Card / Blue Card although it is required by law the Labour Inspection Office reports this fact to the Ministry of the Interior and the Foreign Police.</p> <p>A duty to inform the ministry is given by law.</p> <p>Tax Offices will be involved in the referral mechanism in 2015.</p>	
<p>What is the frequency of control?</p>		<p>Ministry of the Interior: each time a third-country national applies for extension of his stay in the Czech Republic & each time the ministry obtains relevant information about possible non-compliance.</p> <p>Tax Offices: ad hoc.</p> <p>Trade Licensing Offices: ad hoc.</p> <p>Labour Inspection Offices: ad hoc</p> <p>Customs Offices: ad hoc</p> <p>Czech Social Security Administration: monthly (payments).</p>	
<p>What are the main sectors where misuse/abuse occurs? (real estate, transfer of capital, national funds / bonds, business investments, etc.)</p>		<p>No statistical data are available.</p>	

Admitting third-country nationals for business purposes

<i>Please list the top three</i>			
<i>If misuse/abuse is detected, what are the penalties imposed on the third-country national concerned</i> (<i>withdrawal of long-stay visa/residence permit, loss of any other related right/benefit, loss of the certificate of establishment, legal proceedings, fines, removal order, confiscation of activities/revenues, etc.</i>)		Withdrawal of a visa or a residence permit. A ban on re-entering the territory of the Schengen area might be imposed as well.	
<i>What other circumstances might result in the withdrawal / non-renewal of a long-stay visa / residence permit?</i>		If a third-country national a) gives false data in the visa / residence permit application or submits forged or modified documents or documents in which the data essential for appraising the application do not correspond to the facts, b) no longer meets some of the conditions for granting the visa / residence permit c) is convicted for committing a deliberate criminal act etc.	

Q25a. Is there any evidence of the effectiveness of the measures used in your Member State to monitor, detect and prevent misuse / abuse and the problems/challenges faced (lack of instruments, lack of cross-analysis, access to data, etc.)?

Yes

Q25b. If yes, please indicate to which business persons the evidence refers to (investors, business owners, other business people) and please summarise the main findings here and include a reference to the source in an annex to your national report.

The main challenge regarding prevention of misuse / abuse of the immigration rules by business owners is the improvement of the current system of sharing of various data about immigrants registered by the Ministry of the Interior, Tax Offices, the Czech Social Security Administration and other authorities. These authorities detect cases of third-country nationals giving different information about the level and origin of their incomes, number of their dependents living in the Czech Republic etc. to each of these state bodies in order to maximize gains (tax bonuses or social benefits) that might be obtained and minimize all costs (taxes and insurance payments). None of the abovementioned authority has a direct access to databases of other authorities which sometimes make potential cross-analysis complicated and clumsy (exchange of information between authorities is done by official requests and replies). Therefore, the Ministry of the Interior focuses on strengthening of its cooperation with other authorities and removing obstacles for efficient exchange of information (in the framework of the valid legislation on protection of personal data and privacy policy). A significant progress in cooperation between the Ministry of the Interior and Tax Offices is expected after a new amendment of the Act No. 326/1999 Coll., on Residence of Foreign Nationals in the Territory of the Czech Republic, comes into force in 2015.

Section 3: Evaluation of policies to admit third-country nationals for business purposes, challenges and barriers

This section aims to explore the impact of policies to admit **immigrant investors** (Section 3.1), **business owners** (Section 3.2) and **other business people** (Section 3.3) on the economy / society of the Member States. In particular, the questions below aim to understand to what extent such policies (programmes or schemes) have been evaluated and what are the results achieved.

Section 3.1: Immigrant investors (Maximum 1.5 pages)

Q26a. Have any evaluations or studies in your Member State considered the effectiveness of national policies to attract immigrant investors?

N/A

Q26b. If yes, please summarise the main findings here and include a reference to the evaluation or study in an annex to your national report.

If no, please provide also any other evidence/indicator that may be available in your Member State in this regard (media reporting, media debates, assessment by experts etc.).

Q27a. Have any evaluations or studies in your Member State considered the effectiveness of the national policies to attract immigrant investors to the growth of the national economy and/or in competing with other larger economies, and have specific indicators been developed?

N/A

Q27b. If yes, please summarise the main findings here and include a reference to the evaluation or study in an annex to your national report.

If no, please provide also any other evidence/indicator that may be available in your Member State in this regard (media reporting, media debates, assessment by experts etc.).

Q28a. Have any evaluations or studies in your Member State considered the impact of the national policies to attract immigrant investors on other social issues (employment, access to housing, discrimination, etc.) and have specific indicators been developed?

N/A

Q28b. If yes, please summarise the main findings here and include a reference to the evaluation or study in an annex to your national report.

If no, please provide also any other evidence/indicator that may be available in your Member State in this regard (media reporting, media debates, assessment by experts etc.).

Q29. What evidence exists (policy documents, political discourses, media coverage, NGO campaigns, case law examples etc.) that immigrant investors are perceived as abusing national migration rules in your Member State?

N/A

Section 3.2: Business owners (Maximum 1.5 pages)

The Ministry of the Interior monitors various aspects of stay of third-country nationals in the Czech Republic and assesses the effectiveness of the immigration system by collecting and analysing its own internal qualitative and quantitative (statistical) data and reports provided by other state bodies, especially by those which make inspections (Foreign Police, Customs Offices, Labour Inspection Offices, Trade Licensing Offices etc.), Centres for the Support of Integration of Foreign Nationals, non-governmental organizations working with immigrants and other sources. Detected problems are discussed and analysed by several permanent inter-ministerial bodies coordinated by the Ministry of the Interior or other relevant ministry which also propose necessary precautions.

Q30a. Have any evaluations or studies in your Member State considered the effectiveness of national policies to attract immigrant business owners?

Yes

Q30b If yes, please summarise the main findings here and include a reference to the evaluation or study in an annex to your national report.

If no, please provide also any other evidence/indicator that may be available in your Member State and provide any examples of good practice in this regard.

The migration projects *Fast Track* and *Welcome Package for Investors* are evaluated once a year by the responsible ministries. Foreign investors provide important feedback. These migration projects are not comprised in the Czech migration legislation but were launched by the inter-ministerial agreement approved by the government which is more flexible. The conditions for participation in the projects were reset several times in order to increase the number of participants or due to the change of migration legislation. The projects are generally considered to be useful and effective.

Q31a. Have any evaluations or studies in your Member State considered the effectiveness of the national policies to attract immigrant business owners to the growth of the national economy, and/or in competing with other larger economies, and have specific indicators been developed?

For this question please consider also the contribution of immigrant business owners who are already present on the territory of your Member State.

No

Q31b. If yes, please summarise the main findings here and include a reference to the evaluation or study in an annex to your national report.

If no, please provide also any other evidence/indicator that may be available in your Member State and provide any examples of good practice in this regard.

No indicators are available.

Q32a. Have any evaluations or studies in your Member State considered the impact of the national policies to attract immigrant business owners on other social issues (employment social security, discrimination, etc.) and have specific indicators been developed?

No

Q32b. If yes, please summarise the main findings here and include a reference to the evaluation or study in an annex to your national report.

If no, please provide also any other evidence/indicator that may be available in your Member State in this regard (media reporting, media debates, assessment by experts etc.).

No indicators are available.

Q33. What evidence exists (policy documents, political discourses, media coverage, NGO campaigns, case law examples etc.) that immigrant business owners are perceived as abusing national migration rules in your Member State?

The experience of the Ministry of the Interior shows that the current liberal conditions for admission of third-country nationals for the purpose of business is attractive for many foreigners who would like to obtain long-term residence in the Czech Republic / Schengen area but do not intend to set up any business or get involved in any business management. High percentage of recommendations to reject application for a long-term visa given by the embassies to the Ministry of the Interior on the basis of mandatory interviews with applicants, speaks for itself. Approximately 85 % (2013) and 70 % (2014) of applications for long-term visa for the purpose of business submitted by the representatives of legal entities were rejected. The most frequent reason for rejection (77 % of cases in 2013) is a reasonable suspicion that a foreign national would not meet the allowed purpose of stay and perform different sort of activities instead (undeclared work, illegal business) or leave for another EU Member State. Foreign nationals found a number of legal entities in the Czech Republic probably solely for the purpose of achieving a visa and opening the immigration channel for their compatriots. Moreover, a high percentage of rejected applications constitutes a significant administrative burden for embassies and the ministry.

The percentage of rejected applications submitted by self-employed persons is much lower (approximately 33 % in 2013). The most significant problem related to this group of migrants is undeclared work. Instead of running independent business, many self-employed third-country nationals work for another natural person or legal entity and perform the same kind of work like if they were employees of such person or entity. In case of regular employment, they would be required to obtain a work permit and an Employee Card and conclude a labour contract. In order to avoid labour market test which would be normally applied to employees, self-employed third-country nationals carry out employees' work on the basis of business contract. Thus, this phenomenon undermines the protection of domestic labour market. Despite it is very difficult to substantiate evidence of such breach of the labour law a number of cases is frequently detected by the Labour Inspection Offices and reported to the Ministry of the Interior and the Foreign Police. Non-governmental organizations working with immigrants also confirm that this practice which has been described is widespread and very popular among third-country nationals in the Czech Republic, although no statistics are available.

Section 3.3: Other business persons (Maximum 1.5 pages)

Q34a. Have any evaluations or studies in your Member State considered the effectiveness of national policies to attract other business persons?

Yes

Q34b If yes, please summarise the main findings here and include a reference to the evaluation or study in an annex to your national report.

If no, please provide also any other evidence/indicator that may be available in your Member State and provide any examples of good practice in this regard.

The migration project *Welcome Package for Investors* is evaluated once a year by the responsible ministries (foreign investors provide important feedback) and is generally considered to be useful and effective. The project *Facilitation of Admission and Stay of Important Economic Partners* has been launched in September 2014 and therefore has not been evaluated yet.

Admitting third-country nationals for business purposes

Q35a. Have any evaluations or studies in your Member State considered the effectiveness of the national policies to attract other business persons to the growth of the national economy, and/or in competing with other larger economies, and have specific indicators been developed?

No

Q35b. If yes, please summarise the main findings here and include a reference to the evaluation or study in an annex to your national report.

If no, please provide also any other evidence/indicator that may be available in your Member State and provide any examples of good practice in this regard.

Q36. Does any evidence exist on the impact of other business persons on increased volume of trade, increased mobility, increased visibility, etc. for your Member State? EMN NCPs are asked to corroborate information provided with any available data or source.

No.

Q37. What evidence exists (policy documents, political discourses, media coverage, NGO campaigns, case law examples etc.) that other business persons are perceived as abusing national migration rules in your Member State?

None.

[Section 3.4: Challenges and obstacles to admitting third country nationals for business purposes \(Maximum 1.5 pages\)](#)

This Section examines the existing challenges and obstacles for the design and implementation of specific policies aiming to attract immigrant investors, immigrant business owners and other business persons and those challenges and barriers reported by the business community. EMN NCPs are asked to address any obstacle to their admission (eligibility criteria, investment plan, business plan, obtaining visa, etc.) or to other macro-level areas such as visa policy, education, trade, etc.).

EMN NCPs are asked to present the findings and analysis of any existing studies / evaluations or evidence collected in any other way and to provide any available statistics in the corresponding tables Annex 1.

Q38. What are the main challenges related to the admission of immigrant investors, immigrant business owner and other business persons in your Member State?

Categories of other business persons	Challenges for national stakeholders associated with the design and implementation of policies for other business persons. <i>If possible studies should be included (sourced as appropriate).</i>	Challenges for applicant at both admission (pre-arrival) and stay stages (e.g. documentation required, waiting times, restrictions, etc.) <i>If possible, the views of the business community, of the immigrant community and studies should be included (sourced as appropriate).</i>
<i>Immigrant investors</i>	N/A	N/A
<i>Immigrant business</i>	None.	None.

Admitting third-country nationals for business purposes

owners		
Business visitors for establishment purposes (BVEP)	N/A	N/A
Intra-corporate transferees (ICT)	N/A	N/A
Business sellers (BS)	N/A	N/A
Independent professionals (IP)	N/A	N/A
Contractual services suppliers (CSS)	N/A	N/A
Graduate trainees (GT)	N/A	N/A
Other (please describe)	N/A	N/A

Section A4: Good practices and lessons learned (Maximum 2 pages)

This report will highlight any good practices of Member States that have successfully attracted and facilitated the arrival of immigrant investors, immigrant business owners and other business persons. This section will also tackle the extent to which these practices have favoured the (positive) contribution of third-country nationals to the national economy and their likelihood to be promoted and replicated in other Member States and also the extent to which has created monitoring mechanisms to detect misuse / abuse of these migration channels.

This section will include also lessons learned from the practical implementation of specific policies, programmes or schemes for the targeted categories of third-country nationals: lessons learned may address also assessments of the expected and/or unintended (positive and negative) consequences of specific policies, programmes or scheme (i.e. A so-called investor programme has facilitated the admission of wealthy third-country nationals to boost national economy in the real-estate sector. However, as consequence, admitted third-country nationals have invested their money but many properties remain empty due to inflated market rates).

If there are specific examples of good practices that you would like to highlight, please do so below:

Best practices

As the current Czech system of admission of third-country nationals for business purposes is not considered to be efficient enough there are no best practices to be shared with other EU Member States.

The debate on the desirable modification of this system has already been opened at the EMN National conference on Business Migration held in 2014. The main aim of the conference was to evaluate the effectiveness of current immigration system and discuss possible changes in the future.

The Ministry of the Interior and other relevant ministries plan to design new complex draft amendment of the Act on Residence of Foreign Nationals in the Territory of the Czech Republic and certain other relevant Acts and present it to the government in the first half of the year 2015.

The features of the new system cannot be specified yet but the basic general principles can already be summarized:

- a third-country national applying for admission for business purposes will be required to make an investment in the prescribed form and amount (other criteria as a business plan and creation of job vacancies might be set as well); in case this third-country national is a statutory body or a member of the statutory body of a commercial company or a cooperative, the relevant legal entity is obliged to meet the conditions,
- a third-country national who does not want to make such investment cannot be admitted for business purposes but would be allowed to change his/her status into business after 2 years of previous continuous stay in the Czech Republic for other purpose (employment, family reunification, study etc.),
- a maximum period of validity of a long-term visa will be extended from 6 months to 12 months which should be sufficient time to start a business,
- the government will be authorized to design special migration programmes for target groups of selected investors and entrepreneurs who are important for the Czech economy and therefore might be offered facilitation and special treatment.

In addition, the cooperation of relevant state bodies in the area of the exchanged of registered information on foreign nationals will be further strengthened

Lessons learnt

Low criteria for admission of third-country nationals for business purposes do not ensure that immigrants will contribute to the national economy, labour market and national budget. Liberal policy attracts a number of applicants who do not intend to do any business at all but seek to achieve legal status in the EU. Processing (and rejecting) of applications submitted by such foreign nationals constitutes an extensive bureaucratic burden. In addition, it is very difficult to withdraw a visa or a residence permit issued to a third-country national who has been admitted and does not comply with the permitted purpose of stay. Reliable investors are not repelled by stricter requirements but they demand effective and quick migration procedure.

Targeted migration projects (or programmes) are efficient and flexible tools to facilitate and speed-up the migration procedure of a limited number of selected foreign nationals.

The effective mechanism of exchange of information on business migrants registered by various authorities is of utmost importance as a tool for detection of the cases of misuse / abuse of migration system. Responsible authorities should take effort to systematically remove unnecessary legal and bureaucratic obstacles for data sharing.

Business migration policy has to be interconnected and harmonized with other relevant policies (employment policy, economic policy, tax policy etc.) and – altogether – they have to constitute a coherent system.

Section 5: Conclusions

Admitting third-country nationals for business purposes

The aim of the presented study was to outline the Czech system of admission of third-country nationals for the purpose of business. There were approximately 33,000 of such foreigners living in the Czech Republic at the end of 2013 that is about 1/3 of all third-country nationals with long-term visas and long-term residence permits.

The first chapter focused on national frameworks for admitting third-country nationals for business purposes. The Czech immigration system does not recognize categories of immigrant investors and other business persons as they are defined in the study. The definition of a business owner is the only one which matches the relevant Czech national legislation. Business owners are divided into two sub-categories: 1) self-employed persons & 2) representatives of legal entities (i.e. statutory bodies or the members of statutory bodies of commercial companies or cooperatives). The criteria for their admission are low. The main requirement is the registration of a third-country national in the relevant official register (Trade Register, Commercial Register, the list that is a condition of carrying out an independent occupation).

There is no national Action Plan for the development of policies to attract immigrant business owners. Involvement of relevant Czech authorities in this process depends on the scope of their competence. National migration policies are coordinated by the Ministry of the Interior. The Ministry of Trade and Industry specify the economic interests of the Czech Republic and disseminate information among companies and entrepreneurs both in the Czech Republic and abroad together with its agency *CzechInvest* and diplomatic missions of the Czech Republic. The Czech Republic has three migration projects for specific target groups of third-country nationals (*Fast Track*, *Welcome Package for Investors* and *Facilitation of Admission and Stay of Important Economic Partners*) that give their participants the advantage of fast-track migration procedure. Some business owners (and even third-country nationals falling in the scope of the definition of other business person) may benefit from these projects. There is no other Czech national policy for attracting business migrants except the abovementioned migration projects.

The second chapter dealt with the measures to prevent misuse / abuse of immigration channels for business purposes.

The experience of the Czech authorities shows that low criteria for admission of third-country nationals for business purposes attract a number of applicants who do not intend to do any business at all but seek to achieve legal status in the EU. The statistics of rejected applications for long-term visas for the purpose of business clearly prove this fact. Processing (and rejecting) of applications submitted by such foreign nationals constitutes an extensive bureaucratic burden. In addition, the widespread problem of undeclared work carried out by third-country nationals with the legal status of entrepreneurs has a negative impact on the domestic labour market and the national budget and social systems.

The Czech national system of monitoring of activities of business owners is not centralized. Various authorities with various competencies control the compliance with migration and business rules, collect data and keep records. Detected problems thus cannot be tackled without close cooperation, common inspections and data sharing of relevant stakeholders and their systematic effort to remove obstacles for such cooperation. Improvement of the current referral mechanism is the biggest challenge which the Ministry of the Interior and other state bodies face and strive to overcome.

The third chapter mapped the evaluation of policies to admit third-country nationals for business purposes, challenges and barriers.

The Ministry of the Interior monitors various aspects of stay of the third-country nationals in the Czech Republic and assesses the effectiveness of the immigration system by collecting and analysing its own internal qualitative and quantitative (statistical) data and reports provided by other state bodies, especially those which make inspections (Foreign Police, Customs Offices, Labour Inspection Offices, Trade Licensing Offices etc.), Centres for the Support of Integration of Foreign Nationals, non-governmental organizations working with immigrants and other sources. Detected problems are discussed and analysed by several permanent inter-ministerial bodies coordinated by the Ministry of the Interior or other relevant ministry which also propose necessary precautions. The migration projects *Fast Track* and *Welcome Package for Investors* are evaluated once a year. So far, projects have had positive outcomes and are well-appreciated by foreign investors. The third project *Facilitation of Admission and Stay of Important Economic Partners* was launched in 2014 and thus has not been evaluated yet.

The fourth chapter dealt with good practices and lessons learnt.

There are no best practices in the Czech Republic to be shared with other EU Member States. The current Czech system of admission of third-country nationals for business purposes is not considered to be efficient enough and the relevant state bodies are convinced that it should be thoroughly changed. The debate on desirable modification of this system has already been opened and further necessary steps will be taken in 2015. In order to discuss this issue with all relevant national stakeholders, an EMN National conference "Migration and Business" was held in 2014.

The decision to reform the current system of admission of business migrants follows from the lessons learnt in the past years. In the course of these years, the Czech national authorities draw a conclusion that the contribution of business migrants to the Czech economy, labour market and national budget cannot be perceived as satisfactory, the criteria for admission should be increased and the high percentage of rejected applicants has to be reduced. The Ministry of the Interior and other relevant ministries plan to design new complex draft amendment of the Act on Residence of Foreign Nationals in the Territory of the Czech Republic and certain other relevant Acts and present it to the government in the first half of the year 2015.

Sources:

Legislation:

- Act No. 326/1999 Coll., on Residence of Foreign Nationals in the Territory of the Czech Republic, as amended
- Act No. 435/2004, on Employment, as amended,
- Act No. 455/1991 Coll., the Trade Licensing Act, as amended
- Act No. 90/2012 Coll., on Commercial Companies and Cooperatives (the Act on Commercial Corporations), as amended
- Act No. 89/2012 Coll., the Civil Code

Statistics:

The Ministry of the Interior: Register of Foreign Nationals in the Czech Republic

Migration projects:

- Information of the project *Fast Track: Accelerated procedure for intra-corporate transfers and localisation of foreign investors' employees and statutory bodies* presented to the government of the Czech Republic by the Minister of Trade and Industry on the 22nd February 2012
- Information of the project *Welcome Package for Investors* presented to the government of the Czech Republic by the Minister of Trade and Industry on the 9th August 2013
- Information of the project *Facilitation of Admission and Stay of Important Economic Partners* presented to the government of the Czech Republic by the Minister of Trade and Industry on the 3rd November 2014

Websites:

The official website of the Ministry of the Interior of the Czech Republic: <http://www.mvcr.cz>

The official website of the Ministry of Trade and Industry of the Czech Republic: <http://www.mpo.cz>

Others:

Report from the national conference of the Czech contact point of the EMN "Migration and Business" held on the 26th November 2014 in Prague

*Admitting third-country nationals for business purposes*Annex 1

Statistics from Member States will be used in the Synthesis Report to contextualise the statistics provided in this annex.

Table 1: Statistics on immigrant investors and immigrant business owners

Indicators	2009	2010	2011	2012	2013	Source / further information
Statistics on immigrant investors³¹						
Number of visa applications (national D-type visas)						
Number of visa issued (national D-type visas)						
Number of visa refused (national D-type visas)						
Number of applications for residence permits (perhaps an estimate e.g. admissions)						
Number of residence permits issued (perhaps an estimate e.g. admissions)						
Number of residence permits refused / withdrawn (perhaps an estimate e.g. admissions)						
Average age of migrant investors who were granted residence permits (and national D-type visas?)						
Statistics on immigrant business owners³²						
Number of visa applications (national D-type visas)				2 099	1 605	Alien Information System
Number of visa issued (national D-type visas)				461	492	Alien Information System
Number of visa refused (national D-type visas)				1 735	1 115	Alien Information System
Number of applications for residence permit				630	385	Alien Information System / A holder of the D-type visa can apply for a residence permit in order to extend his/her stay in the Czech Republic.

³¹ For Ireland and the United Kingdom, statistics refer to the relevant visas on immigrant investors, but please indicate the name of the visa category to which the data refer to.

³² For Ireland and the United Kingdom, statistics refer to the relevant visas on business owners, but please indicate the name of the visa category to which the data refer to.

Admitting third-country nationals for business purposes

Number of residence permits issued (perhaps an estimate e.g. admissions)				736	561	Alien Information System
Number of residence permits refused / withdrawn (perhaps an estimate e.g. admissions)				196	238	Alien Information System
Number of residence permits reflecting a change of status into business owner (specifying, if possible, from which category – i.e. student, family member, beneficiary of international protection, etc.)				1204	1 657	Alien Information System / The data on original status (purpose of stay) which was changed into business are not available.
Average age of immigrant business owners				34	33	Alien Information System / Average age of the D-type visa holders entering the territory of the Czech Republic.
Statistics on other business persons corresponding to Annex 2 (EU Mode 4 categories) and other business persons as recognised by Member States						
Number of third-country nationals admitted under EU Mode 4 categories or equivalent categories indicated in Q22. If available data can be broken down according to the categories in Annex 2, please provide them in a separate spreadsheet.						
Number of visa applications (national D-type visas)						
Number of visa issued (national D-type visas)						
Number of visa refused (national D-type visas)						
Number of visa applications (Schengen C-type visas)						
Number of visa issued (Schengen C-type visas)						
Number of visa refused (Schengen C-type visas)						

Table 2: indications of the average length of time needed for each of the following indicators

The table below is not intended as having detailed, 'hard' statistics on the average length of time taken, but rather as approximate indications. In case you concrete statistics or data are available however, please provide them separately.

- Please indicate with 'X' the (approximate) average length of time needed for each of the indicators.

Average length of time expected (in days)	A few days	From a few days to a week	Up to two weeks	Up to a month	More than a month
--	-------------------	----------------------------------	------------------------	----------------------	--------------------------

Admitting third-country nationals for business purposes

Average time expected between lodging an application and the final decision for a visa application of an <u>immigrant investor (national D-type visa)</u>					
Average time expected between lodging an application and the final decision for a visa application of an <u>immigrant business owner (national D-type visa)</u>					X
Average time expected for registering a business (from application to establishment)		x			
If possible to change status: the average time expected for third-country nationals already present in the Member State to change their status into <u>immigrant investor</u> (from family reasons, study reasons, asylum, etc.)					
If possible to change status: the average time expected for third-country nationals already present in the Member State to change their status into <u>immigrant business owner</u> (from family reasons, study reasons, asylum, etc.)					X

Please indicate if statistics are available on businesses established by immigrant business owners and by Business Visitors for Establishment Purposes (BVEP): (such as total number of businesses established by third-country nationals; number of FTEs created by migrant investors and business owners; number of survived / closed businesses; share of businesses per size (share of 1; 2-10, 11-19, 20-49, 50+ employees). If possible, EMN NCPs are asked to indicate whether data refer to newly admitted business owners or they include also those third-country nationals already living in their Member States

No statistics are available.

- Please indicate if statistics are available on the economic effects of immigrant investments or businesses (such as the share of migrant investments out of total annual national investments; number of FTEs created/supported as a result of investments by third-country nationals; the tax contribution to the national revenue systems of immigrant business owners and investors; the increased economic ties / trade volumes with specific third countries as a result of immigrant business owners and investors).

No statistics are available.

Annex 2**Table 1: Temporary Movement of Natural Persons under international trade agreements – the EU “Mode 4” categories**

Category	Criteria	Length of stay
BVEP: Business visitors	Natural persons	Up to 90 days in any twelve month period

Admitting third-country nationals for business purposes

for establishment purposes'	<ul style="list-style-type: none"> - working in a senior position who: - are responsible for setting up an enterprise, - do not offer or provide services or engage in any other economic activity than required for establishment purposes. - do not receive remuneration from a source located within the host Party. 	
ICT: 'Intra-corporate transferees' ³³	<p>Natural persons who:</p> <ul style="list-style-type: none"> - have been employed by a juridical person or have been partners in it for at least one year - are temporarily transferred to an enterprise, the host entity, that may be a subsidiary, branch or head company of the juridical person in the territory of the other Party, - belong to one of the following categories: <p>1. Managers:</p> <p>Persons holding a senior position, who primarily direct the management of the host entity, receiving general supervision or guidance principally from the board of directors of the business or equivalent; that position shall include:</p> <ul style="list-style-type: none"> - directing the host entity or a department or sub-division of the host entity - supervising and controlling the work of other supervisory, professional or managerial employees - having the authority to recommend hiring, dismissing or other personnel action; <p>2. Specialists:</p> <p>Persons working within a juridical person who possess specialised knowledge essential to the host entity's areas of activity, techniques or management. In assessing such knowledge, account shall be taken not only of knowledge specific to the host entity, but also of whether the person has a high level of qualification including adequate professional experience referring to a type of work or activity requiring specific technical knowledge, including possible membership of an accredited profession;</p>	Up to 3 years
GT: Graduate trainees /	Natural persons with a university degree who are transferred to a host entity for career development purposes or in order to obtain training in business techniques or methods, and are paid during the transfer;	Up to 1 year

³³ Definition as in Directive 2014/66/EU

Admitting third-country nationals for business purposes

trainee employees³⁴		
BS: Business sellers	<p>Natural persons who:</p> <ul style="list-style-type: none"> - are representatives of a services or goods supplier of one Party, - seeking entry and temporary stay in the territory of the other Party for the purpose of negotiating the sale of services or goods, or entering into agreements to sell services or goods for that supplier - do not engage in making direct sales to the general public - do not receive remuneration from a source located within the host Party - nor are they commission agents. 	Up to 90 days in any twelve month period
CSS: 'Contractual services suppliers'	<p>Natural persons:</p> <ul style="list-style-type: none"> - employed by a juridical person of one Party which itself is not an agency for placement and supply services of personnel nor acting through such an agency, has not established in the territory of the other Party and has concluded a bona fide contract to supply services with a final consumer in the latter Party, requiring the presence on a temporary basis of its employees in that Party, in order to fulfil the contract to provide services - must be engaged in the supply of a service on a temporary basis as employees of a juridical person, which has obtained a service contract not exceeding twelve months. - should be offering such services as employees of the juridical person supplying the services for at least the year immediately preceding the date of submission of an application for entry into the other Party. - must possess, at the date of submission of an application for entry into the other Party, at least three years professional experience in the sector of activity which is the subject of the contract. - must possess a university degree or a qualification demonstrating knowledge of an equivalent level - must possess professional qualifications where this is required to exercise an activity pursuant to the laws, regulations and legal requirements of the Party where the service is supplied. - shall not receive remuneration for the provision of services in the territory of the other Party other than the remuneration paid by the juridical person employing the natural person.. 	A cumulative period of not more than 6 months or, in the case of Luxembourg, 25 weeks in any twelve month period or for the duration of the contract, whichever is less.

³⁴ Directive 2014/66/EU

Admitting third-country nationals for business purposes

<p>IP:</p> <p>'Independent professionals'</p>	<p>Natural persons:</p> <ul style="list-style-type: none"> - engaged in the supply of a service - established as self-employed in the territory of a Party who have not established in the territory of the other Party - who have concluded a bona fide contract (other than through an agency for placement and supply services of personnel) to supply services with a final consumer in the latter Party, requiring their presence on a temporary basis in that Party in order to fulfil the contract to provide services - must be engaged in the supply of a service on a temporary basis as self-employed persons established in the other Party - must have obtained a service contract for a period not exceeding twelve months. - must possess, at the date of submission of an application for entry into the other Party, at least six years professional experience in the sector of activity which is the subject of the contract. - must possess a university degree or a qualification demonstrating knowledge of an equivalent - must possess professional qualifications where this is required to exercise an activity pursuant to the laws, regulations or legal requirements of the Party where the service is supplied. 	<p>A cumulative period of not more than 6 months or, in the case of Luxembourg, 25 weeks in any twelve month period or for the duration of the contract, whichever is less.</p>
---	---	---