Migratory pathways for start-ups and innovative entrepreneurs in the EU and Norway

Luxembourg
The European Migration Network, created by Council Decision no. 2008/381/EC of 14 May 2008, has the objective of supplying up-to-date, objective, reliable and comparable information on migration and asylum in the Community institutions, to the authorities and institutions of the Member States and to the general public with a view to support policy- and decision-making with the European Union.
Preface

The opinions expressed in this report are those of the authors. They do not necessarily reflect the positions of the Luxembourg Ministry for Family, Integration and the Greater Region or of the Ministry of Foreign and European Affairs.

The present report was drafted by Adolfo Sommarribas, Ralph Petry, Nicolas Coda, and Zane Rozenberga, staff members of the National Contact Point Luxembourg within the European Migration Network, under the overall responsibility of Prof. Dr. Birte Nienaber. Continuous support was provided by the members of the national network of the National Contact Point Luxembourg: Sylvain Besch (CEFIS), Christiane Martin (Directorate of Immigration, Ministry of Foreign and European Affairs), François Peltier (STATEC) and Marc Hayot (OLAI, Ministry for Family, Integration and the Greater Region).
Methodology

National reports are produced by the respective National Contact Points (NCPs) on the legal and policy situation in their Member State according to common specifications. Subsequently, a comparative synthesis report is generated by the European Commission with its service provider giving the key findings from each national report, highlighting the most important aspects and placing them as much as possible within an EU perspective. The various national accounts and the summary report are made publicly available.

The EMN engages primarily in desk research, i.e. it collects and analyses data and information already available or published at the Member State or international level. Legal texts, official documents (such as parliamentary documents) and reports have been used for this study. Furthermore, experts from the Directorate of Immigration of the Ministry of Foreign and European Affairs have been consulted.
Fostering start-ups and innovative enterprises is a national policy priority for Luxembourg as providing support to entrepreneurship and start-ups has been on the Luxembourgish governments’ agenda since 2013. It has been a part of a more general diversification policy of existing economic structures in order to increase economic growth of the country and reduce dependence on the financial sector, which remains the dominant economic pillar. The current Governmental programme 2018–2023 encourages support to start-ups, the acceleration of the development of the start-up ecosystem in Luxembourg as well as the promotion of Luxembourg as a ‘start-up nation’ both at national and international level.

Luxembourg’s start-up ecosystem. Source: Digital Luxembourg, 2018
What should be pointed out is that this policy is not specifically targeted at third-country start-ups and innovative entrepreneurs, but aims to attract international investment, (innovative) enterprises and researchers in general. Thus, the mainstream immigration policy established by the amended Law of 29 August 2008 on free movement of persons (hereafter referred to as 'Immigration Law') for 'self-employed worker’ or ‘investor’ residence permits is applied. The conditions that need to be fulfilled in order to be issued either a ‘self-employed worker’ or ‘investor’ residence permit as well as the conditions for the renewal of the residence permits are explained in detail in Section 3.3 (see Q14a-f) and in Section 5 (see Q23a-e), respectively. Several of the stakeholders involved in the context of this study reported that the existing regulations are sufficient and there is no need to introduce new ones or ones that would specifically target third-country nationals.

Several initiatives have implemented in order to support the development of innovation in Luxembourg. Luxinnovation, the National Agency for the promotion of Research, Development and Innovation, was established already in 1985 and currently is reinforcing Government’s economic development objectives by providing support to companies and researchers in order to foster innovation.

One of these initiatives, launched by the Ministry of the Economy in 2015 and implemented by Luxinnovation, is the Fit4Start acceleration programme which is particularly aimed at innovative ICT start-ups and recently also at start-ups from the health technologies. This programme provides coaching, business development support and funding to innovative projects or young innovative start-ups from around the world (see Q1a). Another important policy in the context of this study is the amended Law of 17 May 2017 on the Promotion of Research, Development and Innovation which provides a national funding scheme for Young Innovative Enterprises. Under this scheme, unlisted small enterprises that are registered for a maximum of five years can apply for State aid at the Ministry of the Economy’s Research and Innovation Directorate. Furthermore, Luxinnovation also animates the Luxembourg Cluster Initiative established by the Government in 2002. The objective of this initiative is to encourage communication and exchange of knowledge between cluster members (involving both the public and private sector) as well as to encourage use of new technologies and identification of possible business opportunities (for more information, see Q5).

This study further presents a table of rights and incentive measures in place to attract start-up founders and particularly highlights the access to special funding and investments, the co-working spaces as well as the access to incubation/accelerator support programmes, among others (see tables in Q18). In addition to the elements presented above, this study also elaborates on the following questions: What is the process and what are the requirements for starting up a business in Luxembourg? What are the main sectors and industries in which Luxembourg aims to attract start-ups? What is the role of local and regional authorities in creating and supporting entrepreneurial ecosystems? What role can actors such as local authorities, the private sector or higher education institutions play in attracting start-ups? Are there factors/conditions in place that incentivise start-ups and innovative entrepreneurs to use specific immigration routes?

Lastly, with the use of fictional scenarios, four case studies aim to provide an understanding of the possible admission options of different types of start-ups and innovative entrepreneurs (see Q15).
Section 1: Contextual overview of the business environment to start up a business in the (Member) State

This introductory section aims at providing a contextual overview of the business environment in your (Member) State in general (including for nationals of your (Member) State) whilst the remaining sections focus specifically on attracting migrant start-ups and ‘innovative entrepreneurs’ from third countries. Please provide qualitative evidence to support your answers, where appropriate.

Q1a. Are there specific policies or strategies which aim at fostering start-ups and innovative entrepreneurship in your (Member) State in general? *Please note that this question refers to your MS’ general start-up/entrepreneurship policy and is not specific to TCNs.

☒ Yes. ii

Supporting entrepreneurship and start-ups has been at the heart of the Luxembourgish Government’s economic policy since taking office in 2013 as part of a broader framework related to the diversification of economic structures and a paradigm shift regarding the model of economic growth desired for Luxembourg. The Government has implemented an economic policy of active development and diversification of the economic fabric according to a strategy of ‘multi-specialization’ in order to reduce the dependence on the financial sector, which remains the dominant economic pillar. iii Diversification efforts are concentrated on priority sectors in the domain of economy and communications: iv Industry, Ecotechnologies (including Sustainable Building and Mobility as well as Circular Economy), Health technologies, Logistics, ICT and Space (see also Q5). v In this context, several major policies and strategies have been implemented in order to improve start-up starting conditions as well as to support entrepreneurship vii, research and innovation.

Among the initiatives that have been implemented in order to support innovative ICT start-ups is the Fit4Start programme viii or the Digital Tech Fund viii which contribute to make Luxembourg a host country for start-ups and to attract new innovative activities.ix Particularly the Fit4Start programme by Luxinnovation, the National Agency for the Promotion of Research, Development and Innovation, is of importance in this context (see Q1b for more information on Luxinnovation). This programme is an acceleration programme that was launched in 2015 by the Ministry of the Economy and is specifically dedicated to high potential innovative ICT start-ups. In 2018, for the first time, the scope of the acceleration programme was extended to start-ups specialising in health technologies.x Selected start-ups that enter the programme are offered: xi

- 16 weeks of expert coaching (one-to-one sessions, group coaching sessions and monthly follow-ups and feedback sessions from the Jury of the programme)
- free access to co-working space of the business incubators Technoport and the Luxembourg-City Incubator, who are key collaborators of the programme
- valuable networking and financing opportunities in Luxembourg’s dynamic start-up ecosystem
- grants of up to EUR 150,000

Another important policy in this context is the amended Law of 17 May 2017 on the Promotion of Research, Development and Innovation xiv which provides a national funding scheme for Young Innovative Enterprises. In order to be granted funding under this scheme, the young innovative enterprise has to meet a) the terms and conditions that apply to all types of aid for research, development and innovation xvi as well as b) the conditions of the amended Law of 17 May 2017 (see also legal definition of innovative enterprise in Q2). xv More specifically, eligible enterprises shall be unlisted small enterprises that are registered for a maximum of five years and which have not yet distributed profits and have not been formed through a merger. xvii Information regarding the documents needed for the completion of the application can be found in the ‘guidelines for an application for State’ by the Ministry of the Economy. xviii

The application for the funding scheme should be send in electronic format and by post to the Research and Innovation Directorate of the Ministry of the Economy, which is the responsible authority for the evaluation of the application and the assessment of the eligibility to the scheme. xix It is important to mention that the funding scheme is a co-funding mechanism, i.e. the young company already has to have funds raised before that may then be matched. xx
Furthermore, the application needs to be submitted before work on the to-be-funded innovative project starts.\textsuperscript{xix} Luxinnovation can provide free of charge to completing the application\textsuperscript{xxii} and provide information on other suitable funding scheme either on the national\textsuperscript{xxiii} or the European level, such as under the H2020 Research and Innovation programme of the European Union.\textsuperscript{xxiv}

Looking forward, the Government programme 2018-2023 states that in order to stimulate the business spirit and the creation of start-ups, the Government will analyse the introduction of fiscal measures in order to promote the investments of private investors in innovative enterprises.\textsuperscript{xxv} An example of this policy is the objective of the Government to continue developing and promoting the ICT sector to make Luxembourg an internationally competitive ICT hub.\textsuperscript{xxvi}

**Q1b. Is fostering start-ups and innovative entrepreneurs in general a national policy priority?**

*Please note that this question refers to your (Member) State’ general start-up/entrepreneurship policy and is not specific to TCNs.*

☒ Yes.\textsuperscript{xxvii}

As already indicated in Q1a, fostering start-ups and innovative entrepreneurs is a national policy priority in Luxembourg. According to the 2018-2023 Government agreement, the support of start-ups will continue to be encouraged and efforts will be continued to promote Luxembourg as a ‘start-up nation’. It is considered that start-ups constitute an essential engine for the development of the national economy.\textsuperscript{xxviii} The development of a favourable ecosystem for encouraging innovative start-ups is an indispensable element to successfully implement an economic diversification policy, especially in technological sectors such as ICT, Health technologies, Space, Logistics, Industry and FinTech (see also Q1a and Q5).\textsuperscript{xxix}

A series of measures to stimulate and promote entrepreneurship will continue to be supported by the Government. The implementation of certain flagship projects for incubators (see Q18 for more information) and the financing of start-ups through different measures such as the aforementioned national funding scheme for Young Innovative Enterprises under the amended Law of 17 May 2017, financing and accompanying programmes (such as the Fit4Start programme by Luxinnovation) or investment funds (Digital Tech Fund or Luxembourg Future Fund) are key elements to implement this diversification strategy.\textsuperscript{xxx}

Innovation will continue to be supported within a research and development policy. Within this policy, the Government has created several actions that aim to foster the development of an innovation-friendly ecosystem, to bring businesses and research centres closer together and to encourage entrepreneurship and the creation of start-ups and spin-offs at public research centres. The Government has the stated intention to invest in a visibility and communication strategy at the national and international level in order to attract investors and technological start-ups.\textsuperscript{xxxi}

Luxinnovation as the National Agency for the Promotion of Research, Development and Innovation is a key actor in this regard.\textsuperscript{xxxii} Already established in 1985, it is charged with reinforcing the Government’s economic development objectives by providing support to companies and researchers in order to foster innovation.\textsuperscript{xxxiii} An important support initiative in this context is the Luxembourg Cluster Initiative which was implemented in 2002 with an objective to encourage communication and exchange of knowledge between cluster members (involving both the public and private sector) as well as to encourage the use of new technologies and identification of possible business opportunities.\textsuperscript{xxxiv}

The evolution of State budgets in favour of research, development and innovation has steadily increased from EUR 28 million in 2000 (corresponding to 0.13% of GDP) to EUR 326.4 million in 2014 (0.69% of GDP).\textsuperscript{xxxv} Since then, the Government has made a commitment to increase its research investment by 2020 to between 2.3% and 2.6% of GDP, of which about one-third (0.7% to 0.9% of GDP) will come from public research and has maintained its long-term goal of raising government spending on research to the equivalent of 1% of GDP.\textsuperscript{xxxvi}

The Government intends to strengthen public-private partnerships in priority research areas and support economic diversification in the priority economic sectors, such as Automotive,
Biotechnology, Environmental technologies, Space technologies, Information and Communications, and Logistics.\textsuperscript{xxxvi} In addition, increased support will be given to promoting scientific and entrepreneurial culture among young people as well as exchanges between researchers and civil society.\textsuperscript{xxxviii}

Q2. Does your (Member) State have (a) a legal definition (e.g. provided in legislation or soft law) or (b) a working definition (e.g. in policy documents, strategies or internal definitions used by relevant institutions) of a 'start-up' and/or "innovative entrepreneur"?

\begin{itemize}
\item Yes, there is a legal definition of a start-up/innovative entrepreneur.
\end{itemize}

The amended Law of 17 May 2017 on the Promotion of Research, Development and Innovation\textsuperscript{xxxix} provides a \textbf{legal definition for 'innovative enterprise'}. An innovative enterprise:\textsuperscript{xli}

\begin{itemize}
\item can demonstrate, by means of an evaluation carried out by an external expert, that it will in the foreseeable future develop products, services or processes which are new or substantially improved compared to the state of the art in its industry, and which carry a risk of technological or industrial failure; or
\item whose research and development costs represent at least 10 \% of its total operating costs in at least one of the three years preceding the granting of the aid or, in the case of a start-up enterprise without any financial history, in the audit of its current fiscal period, as certified by an external auditor.\textsuperscript{xli}
\end{itemize}

\begin{itemize}
\item Yes, there is a working definition of a start-up/innovative entrepreneur.
\end{itemize}

According to the Government,\textsuperscript{xlii} the Luxembourg Chamber of Commerce\textsuperscript{xliii} and Luxinnovation,\textsuperscript{xlivi} the \textbf{working definition of a start-up} is the same as mentioned in the section "Definitions" of this template (see p. 6-7):

'\textit{Start-up'}: A start-up is an independent for-profit organisation, which is younger than five years and is aimed at creating, improving and expanding a scalable, innovative, technology-enabled product with high and rapid growth.

In Luxembourg, the emphasis is put on the scalability, on innovative and technological characteristics (technology component and proximity with new technologies) of the process or of the product as well as on artificial intelligence.\textsuperscript{xlv}

The age of the company is not a defining element per se because it is considered that a start-up company of 10 years can continue to be considered as a start-up if it reinvents itself and produces a product or process that fulfils the characteristics mentioned above. The capacity to reinvent themselves is what counts when dealing with the age of the company.\textsuperscript{xlvii}

However, the age of the company plays a role when it comes to the eligibility for the aid for Young Innovative Enterprises under the amended Law of 17 May 2017, as eligible enterprises shall be unlisted small enterprises that are registered for a maximum of five years, have not yet distributed profits and have not been formed through a merger.\textsuperscript{xlviii}

Q3a. What are the requirements for starting up a business (i.e. start-up) in your (Member) State? Please describe briefly:\textsuperscript{1}

In Luxembourg, a start-up has to fulfil the same normal requirements as any other business, namely:

\begin{itemize}
\item[a)] Business plan: it is the entrepreneurial project and it is a vital strategic and communication tool. It is used internally to: a) structure and plan the project; b) monitor the development of the project and regularly inform the stakeholders and c) motivate the staff. Externally it is used to sell the project and communicate with the outside to obtain financing and support.
\item[b)] Access to the profession and/or the \textbf{business permit} (authorisation of establishment/business permit) (see Q.3b).
\end{itemize}

\textsuperscript{1} Some information is available in the ‘Starting a business portal’ here: \url{https://europa.eu/youreurope/business/running-business/start-ups/starting-business/index_en.htm}
c) Legal form of the business: the founder has to determine the legal form that s/he is going to use: a company or self-employed. In case the founder decides to use a company, s/he can use a Partnership (limited partnership (‘société en commandite simple’ – SECS), partnership (‘société en nom collectif’ - SENC)) or a company (societal impact company (SIS), partnership limited by shares (SECA or SCA), limited liability company (SARL), public limited company (‘société anonyme’), civil company (‘société civile’), cooperative company (‘société cooperative’), simplified limited liability company (SARL-S), limited European company (‘société européenne’)). If it is a company, the founder is required to go to a notary to create the company and to the bank in order to open a bank account in Luxembourg.

d) Business creation/registration with the Trade and Companies Register: If it is a self-employed person or sole trade, the person must register with the Trade and Companies Register (‘Registre de Commerce et des Sociétés’ - RCS) as a natural person. However, before starting a business or setting up a company, entrepreneurs can check the availability of the commercial brand name or company name they plan to use. The application has to be made before the Luxembourg Business Register, which manages the Trade and Companies Register.

e) Registration for VAT and Income Tax.

Q3b. What is the process for setting up a new business in your (Member) State, from the initial application to the official registration?

There are at least four stages to fulfil: a) authorisation of establishment (business permit); b) creation of the enterprise; c) open a bank account in Luxembourg; and d) registration with the tax authorities (VAT and Income Tax) and social security authorities (see points c) to e) of the answer to Q3a).

In order to apply for a business permit, the applicant has to fulfil the following legal conditions:

- **Qualifications.** Depending on the type of activity that the third-country national (TCN) would like to engage in, the applicant must prove that s/he has the required qualifications:
  
  (i) Approval of higher education diplomas: the TCN must first apply for the equivalence of her/his foreign secondary school diploma to the Department for the Recognition of Diplomas of the Ministry of National Education, Children and the Youth;
  
  (ii) Once the previous step is fulfilled, the applicant must register his/her diploma with the Register of Certificates of the Ministry of Higher Education and Research;
  
  (iii) Diplomas, certificates, school reports and general technical and vocational higher education certificates obtained abroad can under certain conditions be recognised as equivalent qualifications through the Department for the Recognition of Diplomas;
  
  (iv) In order to set up a business in the craft sector in a self-employed capacity and to train apprentices, the applicant must have a master craftsman’s certificate.

- **Professional integrity.** The conditions for professional integrity must be satisfied by the person who will manage or administer the business. The evaluation of professional integrity is based on the applicant’s judicial history (for the past 10 years) and on the elements discovered during the administrative investigation. In case it is a non-resident or resident for less than 10 years, the applicant must include in his/her application a sworn declaration concerning any management positions held in businesses during the previous 3 years before the filing of the application including:
  
  - a declaration of non-bankruptcy (recent and unlimited) made before a notary public. This declaration must state that the applicant has not been involved in the bankruptcy of a business in his name nor in the bankruptcy of a company;
  
  - an extract from the police records or equivalent issued by the State(s) where the applicant has resided during the last 10 years prior to the application. In case this is not possible, the applicant must provide an affidavit.

- **Establishment in Luxembourg:** the business permit is only granted if there is a physical installation of the business located in Luxembourg that includes an infrastructure suitable for the nature and scale of the concerned activity.
- **Effective and permanent management of the business** by the business permit holder who must:
  a) personally, and regularly ensure the effective day-to-day management and direction of the company. In particular, a remote effective domicile may be considered to be unfavourable to the applicant. The permanent presence of a third person, even if authorised to commit the business, is not enough to make up for the absence of the business permit holder;
  b) be connected to the business (as an owner, associate, shareholder or employee of the business).

- **Compliance with tax and business obligations:** the business manager must not have evaded business and tax obligations in her/his previous or current business activities, whether these activities were carried out under her/his own name or through a company run by said business manager.

The applicant can submit her/his application for the business permit in three ways:

1. **Online:** using the website of the government (MyGuichet.lu). The system indicates which are the supporting documents that has to be joined to the application. In order to request the permit online via MyGuichet.lu, applicants must have a "LuxTrust 'Private' or 'Pro' electronic certificate" and be registered on the portal.
2. Sending the application by **standard mail or email** to the General Directorate for Small and Medium-Sized Enterprises;
3. **Using the House of Entrepreneurship – One Stop Shop** of the Luxembourg Chamber of Commerce or the 'Contact Enterprise' service of the Chamber of Trades and Crafts which will submit the application on behalf of the applicant.

The documents required to be submitted with the application are:

1. documents attesting professional qualifications for the planned activity;
2. documents attesting to professional integrity;
3. a written confirmation from the Minister in charge of Immigration that the applicant meets all the conditions for obtaining the residence permit s/he applied for. In this case, the application for the business permit and the residence permit may be filed in parallel. When the business plan is approved in the Consultative Commission of Self-employed workers, the business permit is approved and, following it, the residence permit will be granted;
4. **proof of payment of stamp duty** of EUR 24.

The documents must be submitted as a PDF when applying online or paper copies when applying by post. However, the General Directorate for Small and Medium Sized Enterprises must request the originals. All documents must be drawn in German, French or English. If they are in a different language, they need to be translated to one of these languages.

If the business permit is granted, the decision will be notified to the applicant. If the applicant has applied as a self-employed person, s/he must collect her/his business permit at the Joint Social Security Centre. In this instance, the beneficiary will register as a self-employed person. If it is a company the business permit is sent by post to its registered office.

**Q3c. How long** does it take to set up a business in your (Member) State? Please distinguish between (a) maximum timeframe for registration as declared by the relevant institution and (b) the time it takes in practice:

The duration will depend on the definition of the enterprise (see answer to Q3a point c) and the type of activity (e.g. commercial activities, liberal professions and service providers).

The maximum time for registration is between 17 to 22 working days: a) five days for obtaining the authorisation of establishment (business permit); b) on day 6 the creation of the company (for this the founder must already have an appointment with the notary and have opened the Luxembourgish bank account). The incorporation of the company can be done in a week; finally, 10 to 15 days to register with the tax and social security authorities.
So overall, the procedure to set up a business in Luxembourg can be done in around 20 days if the applicants know the procedure and they are advised by the Luxembourg Chamber of Commerce. However, in practice, this is not always the case and in general the registration lasts one month and a half.

Q3d. What is the cost to register a business?

As mentioned in Q3b, the stamp duty due to be paid with the application is EUR 24.

The amount of the fixed specific registration fee of the company is set at EUR 75 and must be paid to the Registration Duties, Estates and VAT Authority (‘Administration de l’enregistrement, des domaines et de la TVA’ - AED).

Other costs are the notary fees for the creation of a corporation that will vary according to the amount of the capital. Normally, the cost for creating a company is EUR 1,200.

Q3e. Have there been any evaluations or public debates on the business environment in your (Member) State? – i.e. have any administrative barriers been identified on how easy or difficult (burdensome) is to set up a business in your (Member) State? What are the main conclusions? Please explain, providing evidence, if available:

No, there have not been any evaluations on this topic.

According to the Luxembourg Chamber of Commerce and the House of Entrepreneurship, there is little interest of the general public about the business environment in Luxembourg. They reported that the public debate in Luxembourg does not necessarily reflect the economic issues. They see the main explanation in the fact that the major players in the economic sector are non-Luxembourgish nationals, while the nationals run the public sector.

According to IDEA Foundation, a think tank publishing among others socio-economic analyses, the average time to start or close a business in Luxembourg is higher in comparison with the other members of OECD. The average cost of bankruptcy proceedings is high and the legal framework of insolvency (some elements of which date back to 1935) is relatively unsuitable.

IDEA Foundation has also published a number of proposals in the context of the 2018 parliamentary elections including several initiatives related to entrepreneurship, namely reforming the corporate tax, adapting the tax regime applicable to expatriates, paying special attention to business transfers, encouraging the business angels through taxation and more consideration for entrepreneurs. Furthermore, start-ups was a subject, which occupied a relatively important place in the programmes of the political parties (i.e. CSV, DP, Déi Gréng and ADR) during the last parliamentary elections in October 2018. Some of these initiatives have been included in the coalition agreement.

The topic of start-ups has recently been object of media attention. Several critical articles have been published on the subject. Several initiatives, such as incubators, have been presented, arguing that there is a need to grant a voice to start-ups by the economic and political actors of the country. As a result of this, the Luxembourg Federation of Start-ups ('Fédération Luxembourgeoise des Start-ups' - FLSU) was created in February 2019. The FLSU has the "objective and goal of the representation and the protection of the professional collective interests (moral, economic, social and legal interests) of the legal persons (companies) which exercise or want to exercise in a habitual manner an entrepreneurial activity." According to Jérôme Grandidier, President of the FLSU, "the FLSU has a triple vocation: to identify the start-ups headquartered in Luxembourg, to animate the ecosystem and to federate the expectations of young companies." Furthermore, Jérôme Grandidier indicates that "the start-ups have no representatives and it is difficult for them to clearly express their expectations to the government, public and semi-public organizations, or even large companies. The FLSU was created "in order to share requests and set up a dialogue between start-ups and authorities".

The printed press has made diverse commentaries on the development of start-ups, putting into evidence the ‘gap’ between the ambition that is publicly advertised of implementing the idea of Luxembourg as a ’start-up nation’ and the reality on the ground, to the extent that a journalist talks about of ‘fraudulent labelling’ (’Etikettenschwindel’). This criticism, while recognising that innovative
enterprises and approaches have been implemented, indicates that things are not going so well if compared on a European scale. The criticism targets regulatory barriers and bureaucracy, very long administrative procedures, the insufficiency of available financing and promotion programmes and possibilities for partnerships with investors, universities and research centres, and above all the lack of societal respect vis-à-vis of entrepreneurial risk.iii In Luxembourg, an entrepreneur who goes bankrupt is rarely awarded a second chance/opportunity to establish a new business.civ This concern is also shared by the Director of the Luxembourg Chamber of Commerce, who points out that the country needs to have a start-up culture where the individual has to be allowed to fail.cv This while many start-ups do fail or go bankrupt.cvi

The problems related to enterprise creation have also been the object of a parliamentary questioncvii on the simplification of procedure and the minimisation of risks in order to avoid that potential enterprise founders will not be dissuaded to launch and implement their projects.

Q4a. Do hubs and ecosystems (see definitions) exist in your (Member) States?

☒ Yes.

Luxembourg’s start-up ecosystem unites various important private and public stakeholders that interact as a system in view of creating an environment in which start-up companies can flourish. While some stakeholders use the terms “ecosystem” and “hub” as synonyms,cviii others differentiate between the two terms.cx In the latter case, Luxembourg is referred to as an ecosystem on the national level uniting and representing all the relevant public and private stakeholders, whereas “hubs” refer to either specific geographical (cities or regions) and/or physical locations (for example office premises within a city).

The Luxembourgish start-up ecosystem consists of two main regions (please also see the image provided in the top-line fact sheet):

- Luxembourg-City in the center of the country, which hosts the majority of important stakeholders of the ecosystem as well as the governmental authorities and the majority of the bank branches.
- the south-western region close to the border to France, which was a very important site in the era of the iron and steel production in Luxembourg (from mid-1850s to around 1975) and is still relevant today.cx The three next biggest cities, Esch-sur-Alzette (Luxinnovation, Technoport, House of Biohealth, University of Luxembourg, Luxembourg National Research Fund), Differdange (1535° Creative Hub and 6zero1) and Dudelange (Innovation Hub Dudelange) are located in this region and host further important actors in this context.

For more details on all the relevant stakeholders of the start-up ecosystem, please see Table II in Q18.

Q4b. What is the role of cities or specific regions in creating and supporting entrepreneurial ecosystems and start-up hubs in your (Member) State? Please describe by providing examples.

For cities, as public actors, attracting start-ups and innovative entrepreneurs can be a means to establish a (new) innovative pillar while at the same time looking to create synergies with the existing general economic environment of the cities/municipality and/or the region. Young innovative professionals are seen as an asset for the diversity of the working population, for the creation of new jobs and the retail business of the city or the region. At the same time, cities and municipalities are also important actors in creating and supporting entrepreneurial and start-up hubs because they provide information as well as the infrastructure and the physical premises for the companies.cx

As elaborated in Q4a, the main cities and municipalities that host start-up hubs are Luxembourg-City, Esch-sur-Alzette, Differdange and Dudelange. They all aim to develop these hubs further in the coming years. The declarations or coalition agreements of the Aldermen’s councils (’déclaration ou accord de coalition échevinale’) of the aforementioned municipalities following the local elections in October 2017 streamline the further development of start-ups and innovative enterprises in the respective municipalities.
The City of Luxembourg, for example, plans to create new premises for start-ups and innovative companies in the neighbourhood of the central train station (‘quartier de la gare’). According to the coalition agreement 2018-2023, the City of Esch-sur-Alzette intends to continue to actively support start-ups and innovative entrepreneurs and to conduct feasibility studies for shared space premises. According to the declaration of the Aldermen’s council of the City of Dudelange, the Innovation Hub Dudelange will be the precursor of the establishment of young innovative entrepreneurs and start-ups in the city that come from the Greater Region. As for the city of Differdange, the coalition agreement reads that the establishment of innovative small and medium-sized enterprises must be encouraged in view of diversifying the economy and creating new jobs. A particular emphasis will be placed on the targeted settlement of enterprises from which sustainable and ecological products and production processes are to be expected. Furthermore, it is pointed out that the Creative Hub 1535° is demonstrating the success of this approach which is why the city intends to continue to offer premises at low rental costs. The two hubs in Dudelange and Differdange are oriented towards two specific sectors that are a priority of the Government, namely Ecotechnologies in the case of Dudelange and Creative Industries in the case of Differdange (see also Q1a and Q5).

The 1535° Creative Hub in Differdange was a redevelopment project of a former industrial site from the iron and steel production era that was initiated by the City of Differdange in 2011. This initiative was born out of an increasing demand from Luxembourg’s creative sector to have a common work space. The city supports the around 60 companies of the hub by providing expertise in terms of governance and administration. Similarly, the Innovation Hub Dudelange was established in June 2018 at the initiative of the City of Dudelange and is also part of a larger redevelopment project of a former industrial site. As this redevelopment project aims to create a new “eco-neighbourhood”, the City of Dudelange intends to particularly target start-ups from the ecotechnologies sector in view of trying to integrate them into the future eco-neighbourhood Neischmelz. In this context, the start-ups already established in the hub are integrated in the redevelopment project and are currently collaborating with the ecological and technical services of the city administration.

Furthermore, it is worth noting in this context that the cities of Differdange and Dudelange are so-called ‘assisted areas’, meaning that they feature on the regional aid map approved by the European Commission for the period from 1 July 2014 to 31 December 2020. This means that, under the amended Law of 17 May 2017, start-up founders and innovative entrepreneurs that establish their enterprises in these two cities may be eligible to more funding than in any other municipality (EUR 1.200.000 in Differdange and Dudelange compared to EUR 800.000 in any other municipality).

Q5. What are the main sectors and industries in which your (Member) State aims to attract/attracts start-ups and innovative entrepreneurs? Please briefly explain, if possible to allow for comparison, with reference to the main sections (i.e. section level classification) of NACE Rev.2 classification of economic activities.

In Luxembourg there are ten main sectors where start-ups and innovative entrepreneurs are attracted: 1) Space; 2) ICT; 3) Automotive; 4) Finance; 5) CleanTech; 6) Logistics; 7) Manufacturing; 8) Health sciences and technologies and 9) Creative industries 10) Wood.

Furthermore, it should be mentioned that Government established the Luxembourg Cluster Initiative in 2002. This initiative is implemented by Luxinnovation and has the objective to encourage communication and exchange of knowledge between cluster members (involving both the public and private sector) as well as to encourage use of new technologies and identification of possible business opportunities. It is expected that approximately 3 000 new workplaces will be created by 2020 as a result of Luxembourg Cluster Initiative activities. Currently seven clusters are managed by Luxinnovation, namely: Luxembourg Automobility Cluster; Luxembourg Creative Industries Cluster; Luxembourg BioHealth Cluster; Luxembourg EcoInnovation Cluster; Luxembourg ICT Cluster; Luxembourg Materials & Manufacturing Cluster, and Luxembourg Wood Cluster. In addition, the following clusters complete this picture: the Cluster for Logistics, the Luxembourg Maritime Cluster as well as Neobuild S.A., a cluster for sustainable construction.

---

The following will provide an overview of the ten main sectors:

1) **Space:** Since the foundation of the SES on 1st March 1985 as the first private satellite operator, the space industry is a key high-tech sector for Luxembourg. Luxembourg is a member of the European Space Agency (ESA) since 2005 and it has been providing financial, operational and intellectual support and infrastructures to help Luxembourg-based companies and research organisations gain access to innovation within the space sector. Luxembourg aims to contribute to the peaceful exploration and sustainable utilisation of space resources. The strategy is to implement advanced research activities and technological capabilities drawing on the national expertise in the space sector and the ongoing strategy or economic diversification into future oriented high-tech industries. The sector comprehends: a) the space segment, ground segment and the service segment. It is in this context that the Luxembourg Space Agency was created in September 2018.

The government is providing substantial financial assistance to academic research and private sector projects developing technologies mankind will need to explore and use space resources. One example of this support consists of the collaboration with the University of Luxembourg in the context of a new inter-disciplinary space Master’s degree programme to be launched for the academic year 2019-2020. LuxIMPULSE is providing funding to help companies bring innovative ideas to market. Luxembourg’s contributions to and involvement in the European Space Agency and other international R&D programs play a significant role in the exchange of technology, ideas and knowledge.

2) **ICT:** Following the developments introduced by the RTL Group and SES, Luxembourg has successfully developed into an international hub for information and communication technologies (ICT) becoming a centre of excellence in cybersecurity and data protection. The sector experienced high rates of economic growth and employment. The sector grew in average 7% between 2007 and 2013 and employs around 18,000 persons. Also, Luxembourg has become a ‘big data’ hub with broadband infrastructure and a network of 23 data centres from which 7 are Tier IV certified. Most companies in the sector operates in key areas:

- Fintech
- Electronic commerce
- Digital content
- Cloud computing
- Big data and data management
- Electronic payments
- High performance computing
- ICT for Green
- Electronic archiving

This sector is heavily involved in Research and Development and counts with the Interdisciplinary Centre for Security, Reliability and Trust (SnT) at the University of Luxembourg. Also, the University of Luxembourg is highly in digital communications, information processing, systems and robotics, and algorithmic number theory. The ICT for Innovative Services (ITIS) at the Luxembourg Institute of Science and Technology (LIST) is developing this domain through multi-disciplinary scientific and technological research in order to develop innovative ICT services at the national and international level.

Luxinnovation has created the Luxembourg ICT Cluster which aims to bring companies and research together, facilitate business development, supporting companies in their growth in the sectors. The governmental programme 2018-2023 wants to implement a Digital Innovation strategy for the sustainable trusted data-driven economy based on 8 elements which include the setting up of a High Performance computer (HPC) in order to complement the national datacentres and the high speed connectivity in Luxembourg, the implementation of the Luxembourg Digital Innovation Hub (L-DIH), alongside of Luxinnovation, which will be connected to the European network of ‘Digital Innovation Hubs’ and the implementation of innovative technologic approaches in order to minimize energy consumption and to facilitate the use of...
renewable energies at the level of informatics infrastructure (datacentres). All these economic
development efforts will be supported by Luxinnovation by encouraging enterprises to innovate
and to develop in order that they can face the technological challenges of the future as well as to
grab the opportunities and to facilitate the collaboration between the public research sector and
the enterprises. These actions will be implemented in parallel to the attraction of international
companies and investors that are of interest for the Luxembourgish economy.

3) **Finance:** Luxembourg is one of the most competitive financial centres in the world. It specializes
in the administration of investment funds and private banking. The sector employs
approximately 47,000 workers and it represents more than 30% of GDP.

Over the past years, the Luxembourg financial centre has been broadly diversifying its activities
and has seen the development of innovative services mainly related to information and
communication technologies (ICT) such as data centres, cybersecurity, cloud computing, big
data, mobile payments, trading platforms, P2P lending and crypto currencies.

The Luxembourgish government launched its 'Digital Lëtzebuerg' strategy in October 2014,
putting emphasis on innovation in financial services. Another objective of the Government is
to promote efforts to establish Luxembourg as an international centre for green and sustainable
finance by creating an exemplary ecosystem and to strengthen Luxembourg’s position as a centre of
excellence in sustainable finance.

Within this context, Fintech and sustainable finance are receiving particular attention from the
Government in order to ensure Luxembourg's position as a global competitive fintech hub such as a best-in-class ICT infrastructure (especially with the implementation of a 5G connectivity and strategy) and one of the most modern data centre parks in Europe.

Fintech sector relies on a national FinTech platform: The Luxembourg House of Financial
Technology (the LHoFT), that aims to build and foster the Luxembourg Fintech ecosystem.
Luxembourg is also the global leader in inclusive finance and acts as a leading international
platform for sustainable finance, supporting a range of activities from responsible funds and
blended finance to green bond listings.

The financial sector is also supported by Luxembourg for Finance (LFF). The Agency for the
Development of the Financial Centre is a public-private partnership between the Luxembourg
Government and the Luxembourg Financial Industry Federation (PROFIL) that aims to develop
Luxembourg’s financial services industry, identify new business opportunities and connects
international investors to the range of financial services provided in Luxembourg, such as
investment funds, wealth management, capital market operations or advisory services.

4) **Automotive:** This sector employs in Luxembourg approximately 10,000 employees in almost 40
companies generating more than EUR 1.5 billion yearly. Approximately 20% of the activity is
dedicated to research and development. The government strongly encourages public-private
partnerships in this sector such as the framework agreement signed between Goodyear and
Luxembourg Institute of Science and Technology (LIST) which focuses on sustainable mobility
and the materials of the future and contributes to strengthen research and development in
Luxembourg's materials and manufacturing industry.

This sector can rely on a number of private and public networks and collaborations in order to
nurture this ecosystem. The Luxembourg Automotive Suppliers Association – ILEA - aims to
provides a strategic forum for automotive suppliers, to act as a platform for sharing experience
and information among its members, and to promote the relations between the various suppliers
as well as towards car manufacturers. The Luxembourg Auto Mobility Cluster aims to foster
innovation, business development and cross-sector cooperation by bringing together
Luxembourg-based auto industry component suppliers.

One of the major projects of this cluster is the development of a dedicated mobility innovation
campus (network) and business incubator, the Luxembourg Automotive Campus. The
"5GCroco" is another project that aim to deploy and test 5G in the context of cooperative,
connected and autonomous driving. This EUR 18 million project involves 24 partners from 6 European countries, including Volkswagen, PSA, Renault and Volvo.

The government intends to pursue its strategy of developing the sector of intelligent and sustainable mobility, including cooperative, connected and autonomous driving, and in particular to promote the ‘Automobility’ sector through the deployment of new technologies facilitating its growth (HPC, Big Data, HPDA, IA, 5G, Cybersecurity, etc.) and by supporting the implementation of collaborative research projects.

5) **Logistics**: Luxembourg has established itself as a key hub for logistics and has continuously improved its positioning as an intercontinental and multimodal logistics hub in Europe for value-added logistics activities. The government intends to develop the logistics sector by raising awareness and preparing companies in the sector for new technologies and supply chain management impacted by the integration of technologies exploiting large amounts of data ('big data') and by facilitating legislative procedures through a one-stop-shop ('Single Window for Logistics'). Luxembourg relies on excellent infrastructures with, among others, the Multimodal hub of Bettembourg, an airport cargocentre, Eurohub Sud, a logistic warehouse of around 26,000 m² and a Freeport that allows managing and storing valuable goods under a regime of suspension of VAT and custom duties.

The implementation of a multi-product specialization strategy focuses on certain types of products requiring specific handling and storage solutions. The international trade with Luxembourg is facilitated with the "Single Window for Logistics", a brand new portal that offers guidance on formalities to import, export and circulate goods.

The collaboration of innovative companies with research institutes is encouraged by the Government who provides funding schemes for promising start-ups in key sectors such as Logistics and ICT. Luxembourg offers as well the possibility to set up industrial research projects with the Luxembourg Centre for Logistics and Supply Chain Management (LCL) of the University of Luxembourg, a hub for research, innovation and education in the logistics sector, and in partnership with the Massachusetts Institute of Technology (MIT) in Boston, USA.

The sector is also supported by the Cluster for Logistics that brings together companies, public research institutions and government bodies with the objective of strengthening Luxembourg’s position as a major intercontinental logistics hub in Europe for high added value services in Logistics.

6) **Clean Tech**: Eco-innovation and circular economy are on the rise in Luxembourg’s agenda. This progression was initiated under the leadership of the Luxembourg Green Party, which has been part of the country’s government since December 2013. Luxembourg was ranked among the top-third countries in 2016 and 2017 in the Eco-Innovation Scoreboard (Eco-IS). The government intends to continue and intensify its efforts in the field of environmental technologies for the coming years.

A fast growing CleanTech sector comprised of companies that work mainly in the fields of eco-construction, renewable energy, waste management, water and electro mobility, has recently been developed in Luxembourg. This dynamic sector is supported by several public agencies and research organisations. The sector is enhanced by the Environmental Research and Innovation (ERIN) department of the Luxembourg Institute of Science and Technology which develops strategies, technologies and tools to improve the monitoring, use and safeguarding of natural and renewable resources. The Research Unit in Engineering Sciences (RUES) of the University of Luxembourg conducts as well research in the fields of photovoltaics, energy and environment aspects of engineering.

Several business-oriented initiatives such as the Luxembourg EcoInnovation Cluster, which aims to enhance the fields of energy, environment and sustainable development in Luxembourg, create and develop new and sustainable business opportunities mainly through collaborative research
and development and innovation projects[^xxx] or Neobuild, a cluster dedicated to sustainable construction and a key actor in this sector[^xxxi], nurture innovation businesses in this key sector.

7) **Health Sciences and Technologies:** The objective is to develop the country as a centre of excellence in molecular diagnostics, the main pillar of personalised medicine. Luxembourg’s health sciences and technologies sector has considerably developed over the past few years, and currently specialises in the fields of personalised medicine, diagnostics, bioinformatics and e-Health[^xxxii].

The government intends to continue to develop the health technology sector, and in particular digital health technologies, and create an ecosystem conducive to the development of digital health societies that contribute to a smart and sustainable economy[^xxxiii].

Life sciences sector can count on a world-renowned health research institute, the Luxembourg Centre for Systems Biomedicine (LCSB) of the University of Luxembourg, which defines itself as a “accelerating biomedical by closing the link between systems biology and medical research” and focuses especially on neurodegenerative diseases like Parkinson’s disease[^xxxiv]. Other major research centres such as the Luxembourg Institute of Health (LIH) contributes actively in biomedical research by focusing itself on the areas of oncology, infection and immunity, and population health[^xxxv]. This scientific landscape is also complemented by the Integrated BioBank of Luxembourg (IBBL), which provides biospecimen-related services and biobanking infrastructure for applied medical research[^xxxvi] and with researchers working at LIST and in the Laboratory of Molecular and Cellular Cancer Biology (LMCCB)[^xxxvii]. The main public research centres have jointly set up the Personalised Medicine Consortium (PMC) in order to support research and make Luxembourg a global leader in incorporating personalized medicine into the national healthcare system[^xxxviii].

The life sciences sector benefits from a supportive environment with the Luxembourg BioHealth Cluster which aims to support international companies interested in setting up activities in Luxembourg or establishing cooperations with Luxembourg entities[^xxxix] and with the House of BioHealth, a support infrastructure for start-ups and foreign companies working in the field of Biotech, clean-tech and ICT and wishing to locate activities in Luxembourg[^xc]. The creation of a new health cluster is planned by the Government in order to increase the attractiveness and competitiveness of the country in this sector[^cxa].

8) **Manufacturing:** With more than 32,000 employees, the manufacturing sector in Luxembourg represents 8.3% of total national employment and 4.6% of the national added value and is dominated by the metal and chemical industries[^xcii].

The Government and the sector closely cooperate to promote and implement key enabling technologies that are high on EU’s current agenda for enhancing innovation and competitiveness, notably high performance computing, digitization of industry, advanced manufacturing and materials as well as nanotechnologies. The implementation of new and innovative production technologies and processes to boost productivity, energy, effectiveness and cost and quality competitiveness are central to the Government’s industrial policy. A key element of the Government’s policy is to ensure easy access for companies to high-class public research institutions, including the Luxembourg University, as well as to supportive funding instruments[^xciii].

A National Composite Centre (NCC-L) has been created in order to improve the competitiveness of the Luxembourg composite materials sector by further strengthening and expanding the industry’s considerable skills and capabilities. In close cooperation with the private sector, the NCC-L will lead research and innovation projects to develop pre-commercial industrial applications and will be equally funded by public and private funds[^xciv].

The Luxembourg Materials & Manufacturing Cluster counts over 60 members, from start-ups to multinational groups and public research organisations among its members and focuses on strategic areas such as materials, additive manufacturing and high performance computing and
aims to create and develop new and sustainable business opportunities through collaborative R&D and innovation projects.

9) **Creative industries:** in Luxembourg, the creative industries sector represents more than 7,000 employees in more than 2,000 companies with an annual turnover exceeding 900 million euros. In 2017 the Secretary of State of the Economy launched the Creative Industries Cluster which is managed by Luxinnovation and has the mission to catalogue existing instruments (financial aid, training opportunities, advice), to bring together the different players of the sector and to promote them. The cluster contributes to strengthening the links between the different creatives by encouraging and facilitating the development of new business opportunities.

10) **Wood:** The Wood Cluster is one of the most recent clusters managed by the Luxinnovation, it brings together know-how and facilitates experience exchange as well as fosters establishment of partnerships and joint projects. One of the objectives of the cluster is to stimulate product and process innovation.

Section 2: National legal and policy framework in the (Member) State for admission of start-ups and innovative entrepreneurs from third countries

This section aims to provide an overview of the national legal framework and policies in EU Member States and Norway in relation to start-ups and innovative entrepreneurs from third countries. Please provide qualitative evidence to support your answer, where appropriate.

Q6. Is attracting start-ups and innovative entrepreneurs from third countries a national policy priority?

☐ Yes, this is a national policy priority.

☒ No, this is not a major national policy priority. Please explain:

Attracting start-ups and innovative entrepreneurs explicitly from third countries is not per se a major national policy priority in Luxembourg. Instead, Luxembourg has a national policy priority of fostering start-ups and innovative entrepreneurs by developing its national start-up ecosystem as well as of attracting foreign investment in general in order to diversify the national economy (see Q1b for more details).

Nevertheless, the Government has the intention to invest in a visibility and communication strategy at the national and international level in order to attract investors and technological start-ups. This prioritisation is visible in the importance given by the Luxembourgish Government to the international fairs and economic missions trying to attract the start-ups into certain clusters (i.e. Fintech) through a targeted promotion.

Q7a. Does your national legislation provide for a special visa or residence permit to facilitate the immigration of start-up founders and innovative entrepreneurs from third countries?

☐ Yes, a special visa is in place to facilitate the immigration of TCN start-up founders. Please explain:

☐ Yes, a special residence permit is in place to facilitate the immigration of TCN start-up founders. Please explain:

☒ No, other type of residence permit is commonly used to facilitate the immigration of start-ups/innovative entrepreneurs from third countries. Please explain:

Luxembourg does not have a special visa or residence permit to facilitate the immigration of start-up founders and innovative entrepreneurs from third countries. Instead, Luxembourg applies a mainstream immigration policy established in the amended Law of 29 August 2008
on free movement of persons (Immigration Law) for ‘self-employed workers’ or ‘investor’ residence permits.

The immigration statistics from the Directorate of Immigration of the Ministry of Foreign and European Affairs do not provide a comprehensive picture of third-country nationals migrating to Luxembourg with the purpose to establish a start-up or an innovative enterprise as the only two datasets collected are ‘self-employed worker’ or ‘investor’. Furthermore, it is important to note that the non-national workforce in Luxembourg is composed to a large extent of EU-citizens, as only 4% of the total workforce in Luxembourg are third-country nationals.

The residence permit for ‘self-employed worker’ is more widely used as an immigration pathway than the ‘investor’ residence, which was only recently introduced by the Law of 8 March 2017 modifying the Immigration Law. The number of first issuances of ‘self-employed’ residence permits has increased from 19 first time issuances in 2014 to 39 in 2018. Looking at the first issuances and the renewals, it can be observed that the numbers remained fairly stable between 2014 and 2018 (71 issuances in 2014 and 72 issuances in 2018).

Regarding the ‘investor’ residence permit, the statistics show that no residence permit was issued in the first year of its introduction in 2017 and only 4 in 2018.

**Q7b.** If your (Member) State has a special visa/residence permit in place for start-up founders, please explain your (Member) State’s rationale for adopting such schemes:

N/A

**Q7c.** If yes, when was the start-up scheme introduced?

N/A

**Q7d.** If yes, what legal pathways were used by start-up founders before introducing a specific start-up scheme?

N/A

**Q7e.** If no, has there been a policy debate about the reasons for not introducing a special scheme?

No. The Directorate of Immigration reported that to this date, there has been no demand from the private sector to introduce a special scheme because the legal dispositions in place correspond to the existing needs.

According to the Luxembourg Chamber of Commerce it is not viable to apply the principle of ‘one size fits all’ when dealing with start-ups, especially when trying to attract talents. The Chamber of Commerce created the House of Entrepreneurship which has evaluated the procedure to obtain an authorisation of stay of self-employed worker for a third-country national who wants to establish a start-up in Luxembourg. They determined that the procedure has several weaknesses, one of which is notifying the decisions via regular mail, which generates very long delays when dealing with the applications. In order to deal with this problem, the House of Entrepreneurship has established a system for start-ups that are of interest for the national economy by which these companies or founders are closely supported and accompanied to be able to pass the immigration process as fast as possible.

**Q8a.** Does your national legislation provide for a special visa/residence permit to facilitate the immigration of TCN start-up employees?

☐ Yes, a special visa is in place to facilitate the immigration of start-up employees from third countries. Please explain:

☐ Yes, a special residence permit is in place to facilitate the immigration of start-up employees from third countries. Please explain:

☒ No. Please explain:
Luxembourg does not have a special visa/residence permit to facilitate the immigration of TCN start-up employees. However, they can apply for the salaried worker residence permit. If a start-up founder presents his/her business plan and it is considered viable by the Directorate of Small and Medium-Sized Enterprises of the Ministry of the Economy, the TCN founder can apply in parallel for the authorisation of establishment and the authorisation of stay as a self-employed worker or investor. His/her employees would have to apply for a salaried worker residence permit. However, these employees must fulfil the conditions of the authorisation of stay for salaried worker, particularly the condition that they will be obliged to pass the labour market test.

Q8b. If your (Member) State has a special visa/residence permit in place for start-up employees, please explain the rationale for adopting such schemes:

N/A

Q8c. If yes, when was the start-up scheme for employees introduced:

N/A

Q9a. Are there any planned changes in law/ policy/ practice regarding start-ups or other innovative entrepreneurs from third countries in your (Member) State?

☒ No.

Q9b. If your (Member) State does not have any special schemes in place for start-up founders/employees, is your (Member) State planning to introduce these regulations in coming years?

☒ No, there are no plans to introduce these regulations in the coming years (see also Q7e).

Q9c. Have there been any recent or ongoing national public/policy debates with regard to facilitating the immigration of start-ups and innovative entrepreneurs from third countries?

☒ No.

Section 3: Admission conditions for start-ups and innovative entrepreneurs from third countries

This section aims to provide an overview of the admission conditions for start-ups and innovative entrepreneurs from third countries. To facilitate comparison:

- Section 3.1. focuses on evaluating the business (i.e. start-up) and should only be completed by (Member) States who have a specific process of evaluation for start-up/business plan for TCNs. If there is no specific process in place and general registration for a new business applies, please only answer Q3 in Section 1.

- Section 3.2 should be completed only by (Member) States which have a specific scheme in place.

- Section 3.3 should be completed only by (Member) States which do not have a specific scheme in place.

- Section 3.4. looks at four fictional scenarios and should be completed by all (Member) States.

3.1. Admission conditions from the business (start-up) perspective – evaluating the business plan and conditions that need to be met to qualify as a start-up [ONLY FOR THOSE (MEMBER) STATES WHICH HAVE SPECIFIC PROCESS TO EVALUATE THE BUSINESS/START-UP]
Q10. Please explain what are the **requirements/criteria to be qualified as a start-up or innovative entrepreneur** (e.g. investment, innovative scalable business model³, prior registration in the MS, etc)?

As explained in Q7a-e and (see also Section 3.2), there is no specific start-up scheme related to immigration pathways with specific criteria for creating a start-up or an innovative enterprise in place in Luxembourg. Any individual can create a start-up by fulfilling the steps elaborated in Q3a.

Business evaluations conducted during the admission period is not specifically aimed at determining if the company is a start-up or an innovative enterprise, but the main aim is to identify if the person qualifies for the residence permit as 'self-employed worker' or 'investor'. Please see Section 3.3 for more details on the admission conditions for 'self-employed workers' or 'investors'.

Furthermore, evaluations are made in the context of applications for financial aid from the State in the framework of the amended Law of 17 May 2017 or of the Fit4Start programme (see also Q1a). However, in this context, the evaluations are also only made in relation to whether the company meets the criteria for receiving financial assistance or not.

Q11. Please explain the **process of evaluating** the start-ups/innovative entrepreneurship, with regard to:

Q11a. **Who** assesses the eligibility of the start-up?

N/A

Q11b. **What documents** have to be submitted for the assessment? Please explain and indicate in case it differs for TCNs that have already founded a start-up abroad and those who are yet to set up a business:

- ☐ Business plan.
- ☐ Means of financing (e.g. bank statements).
- ☐ Patents, trademarks, intellectual property.
- ☐ Qualifications and diplomas of the start-up founder.
- ☐ Evidence of registration in a national commerce register.
- ☐ Others.

N/A

Q11c. On average, **how long** does it take to make a decision on whether the start-up qualifies for the scheme? Please explain distinguishing between (i) maximum processing time set in legislation and (ii) average processing time in practice:

N/A

Q11d. How long after the decision has been communicated to the applicant, s/he can register their company/apply for the residence permit? Please explain:

N/A

Q11e. How is the application process managed? Please explain:

- ☐ Online.
- ☐ In person.
- ☐ Other.

N/A

³ "Scalability is one of the most important factors for entrepreneurs considering starting a new business or hoping to take a current business to the next level. Successful business growth depends on a scalable business model that will increase profits over time, by growing revenue while avoiding cost increases." Source: www.entrepreneur.com
3.2 Admission conditions from the person perspective (start-up founders and employees)  
[ONLY FOR THOSE (MEMBER) STATES WHICH HAVE A SPECIFIC START-UP SCHEME]

Q12a. What are the requirements for applying for a start-up visa – if applicable (e.g. sufficient means, prior approval of start-up by the responsible authority, insurance, etc.)? Please differentiate in case it applies to:

☐ Start-up founders. Please explain:

☐ Start-up employees. Please explain:

☒ N/A.

Q12b. What are the requirements for applying for a start-up residence permit – if applicable (e.g. sufficient means, prior approval of start-up by the responsible authority, insurance)? Please differentiate in case it applies:

☐ Start-up founders. Please explain:

☐ Start-up employees. Please explain:

☒ N/A

Q12c. Are there different requirements for TCNs applying from abroad and those looking to change their status (e.g. from a student to a start-up visa)? Please differentiate in case it applies:

☐ Start-up founders. Please explain:

☐ Start-up employees. Please explain:

☒ N/A

Q12d. Are different statuses compatible and/or possible at the same time? (e.g. a TCN that is in your country as a highly skilled employee (or under other migratory category), and at the same time is setting up a start-up, or even running it)

☐ Yes. Please explain:

☐ No.

☒ N/A

Q13. How is the application processed? Please explain:

N/A

Q13a. To which authorities is the application submitted? N/A

Q13b. Where can the application for the start-up visa/residence be submitted? Please explain:

☐ Online. Please explain:

☐ In person. Please explain:

☐ Other. Please explain:

☒ N/A

Q13c. Could the start-up founder employ third-country nationals? Under which scheme? What are the conditions that they have to fulfil?

N/A

Q13d. What is the processing time for application of start-up visa/ start-up residence permit? Please explain distinguishing between (i) maximum processing time set in legislation and (ii) average processing time in practice:

N/A

Q13e. What is the duration of the visa/residence permit granted?

N/A
Q13f. What are the challenges regarding admission of start-ups and innovative entrepreneurs from the national stakeholders’ perspective as well as if possible, from the TCNs perspective? For each challenge mentioned, please describe a) for whom it is a challenge (e.g. policy-maker, organisation, other stakeholders), b) why it is considered a challenge and c) what is the source of the statement – e.g. based on input from experts, surveys, evaluation reports or from other sources (please indicate which ones).

N/A

Q13g. What are the good practices identified in your (Member) State? For each good practice mentioned, please describe a) for whom it is a good practice (e.g. policy-maker, organisation, other stakeholders), b) why it is considered a good practice and c) what is the source of the statement – e.g. based on input from experts, surveys, evaluation reports or from other sources (please indicate which ones).

N/A

3.3 Admission conditions in those (Member) States which do not have a specific scheme for start-ups [FOR THOSE (MEMBER) STATES WHICH DO NOT HAVE A SPECIFIC START-UP SCHEME]

Please not that this section should only be answered by (Member) States which do not have a specific scheme for start-ups/innovative entrepreneurs in place.

Q14a. What types of visas / residence permits does your (Member) State have in place that could be used by TCN start-up founders / innovative entrepreneurs to establish themselves in your country?

As mentioned in Q7a, TCN start-up founders / innovative entrepreneurs can either apply for a ‘self-employed’ residence permit\textsuperscript{ccxii} or an ‘investor’ residence permit\textsuperscript{ccxiii} in order to establish themselves in Luxembourg.

Q14b. What are the requirements for obtaining the residence permit?

A. ‘Self-employed worker’ residence permit:

To obtain a residence permit, the applicant has to apply first for an authorisation of stay as self-employed worker\textsuperscript{ccxiv} at the Directorate of Immigration of the Ministry of Foreign and European Affairs. Besides the conditions the applicant has to fulfil for entry on the territory,\textsuperscript{ccxv} such as having a valid passport and a valid visa if required, the TCN has to fulfil the following conditions in order to obtain an authorisation of stay as a self-employed worker:

1. provide proof of required qualifications to carry out the planned activity and, where applicable, be registered on the respective professional lists or registers and where applicable, to satisfy the conditions set out by law to access the professions of craftsman, trader, industrialist and certain liberal professions;\textsuperscript{ccxvi}
2. provide proof that s/he has sufficient resources to carry out the desired activity in Luxembourg;\textsuperscript{ccxvii}
3. provide proof that the activity carried out serves the interests of the country in terms of economic benefit (i.e. as a response to an economic need; in terms of integration in the national or local economic context; in terms of viability and sustainability of the business project; in creating jobs; and in terms of investment, namely in research and development, innovation or specialization), or in terms of social or cultural interest.\textsuperscript{ccxviii}

The application must be filed at the Directorate of Immigration of the Ministry of Foreign and European Affairs directly or through the diplomatic mission which represents Luxembourg’s interests in the country of origin. It can be filed personally or through proxy. It must contain the identity details of the applicant and the following documents have to be attached : a) a certified copy of entirety of a valid passport; b) an extract from the criminal records or an affidavit established in the country of residence; c) a curriculum vitae; d) a business and a financing plan; e) the proof that the applicant has the necessary economic resources to carry out the business project; f) if the self-employed activity requires a business permit,\textsuperscript{ccxix} the applicant must join to his application the approval of the General Directorate of Small and Medium-Sized Enterprises of the Ministry of the
Economy; g) where necessary a proxy. The documents must be drawn or translated in German, French or English.

For the conditions that have to be fulfilled for obtaining a business permit, see answer to Q3b.

If the applicant receives a favourable answer, s/he receives a temporary authorisation of stay which is valid for 90 days. During that time, s/she must enter the Luxembourg territory and follow the steps described below.

**Conditions for obtaining the residence permit:**

Once the third-country national enters the territory, s/he must present him/herself, during the following three days upon arrival, to the municipality where s/he is planning to reside with the authorization of stay in order to make her/his declaration of arrival. \(^{ccxx}\)

The third-country national must apply for a residence permit before the Directorate of Immigration within a deadline of three months after his/her arrival. The application must include the declaration of arrival, a medical certificate \(^{ccxxi}\) and the proof of appropriate housing (if required). \(^{ccxxii}\) The applicant must pay a fee of 80 Euro for the issuance of the residence permit.

**B. ‘Investor’ residence permit:**

The Law of 8 March 2017, which introduces Article 53bis in the Immigration Law, establishes an authorisation to stay for investors which aims to attract qualitative third-country national investors to the country. \(^{ccxxiii}\) The investor residence permit is part of a push towards the diversification of Luxembourg’s economy and to boost entrepreneurship.

In order to be eligible for this authorisation to stay, the third-country national, besides the conditions of entry on the territory \(^{ccxiv}\), must fulfil one of the following four conditions:

a) Invest at least EUR 500.000 in an existing commercial, artisanal or industrial company based in Luxembourg and commit to maintain the investment and the level of employment for at least five years. \(^{ccxxv}\)

b) Invest at least EUR 500.000 in a commercial, artisanal or industrial company yet to be created, including the creation of five jobs within three years of having founded the company. \(^{ccxxvi}\)

c) Invest at least EUR 3.000.000 in an investment structure that is already in existence or yet to be created in Luxembourg, which has an appropriate substance (targeting ‘family office’ structures). \(^{ccxxvii}\)

d) Invest at least EUR 20.000.000 as a deposit in a financial institution established in Luxembourg, committing to maintain this investment for at least five years (targeting ‘high net worth individuals’). \(^{ccxxviii}\)

The Law prescribes that no investments can be made in real estate (renting or buying), in order not to worsen the already difficult real estate situation in Luxembourg. Furthermore, 75% of the investments described under a), b) and c) must be made using own funds, while 25% can be borrowed over a duration of at least three years. The investment described under d) must stem completely from own funds and must be deposited at one single financial institute. \(^{ccxxix}\)

Before submitting the application for a residence permit, the applicant must submit the project to the Minister of the Economy (for commercial, artisanal or industrial projects) or to the Minister of Finance (for financial investments), who verify its viability and provide their opinion to the Minister in charge of immigration. \(^{ccx}\) In regards to the conditions a) and b), the TCN can apply for a business permit if s/he proves that s/he has the qualifications required for the exercise of the activity chosen (including the registration in the professional organisations and professional registers) and fulfils the conditions established by the respective law. \(^{ccxxi}\)

If the applicant receives a favourable answer, s/he receives a temporary authorisation of stay which is valid for 90 days. During that time, s/he must enter the Luxembourg territory and follow the steps described below.
**Conditions for obtaining the residence permit:**

Once the third-country national enters the territory, s/he has to follow the same steps as elaborated under section A. ‘Self-employed worker’ residence permit (see previous page above).

Q14c. What are the factors/conditions that incentivise start-ups and innovative entrepreneurs to use specific immigration routes?

There are no specific incentives in place in Luxembourg for start-up founders and innovative entrepreneurs to use either the ‘self-employed worker’ or ‘investor’ immigration route. According to the Directorate of Immigration, this depends on the individual case of the applicant and the economic framework that s/he intends to work in. Furthermore, start-up founders and innovative entrepreneurs may request or receive information regarding the possible immigration routes from other actors, such as the embassies, the Luxembourg Chamber of Commerce or Luxinnovation.

Q14d. Which authority (ies) is/are responsible for granting the residence permit?

The Directorate of Immigration of the Ministry of Foreign and European Affairs is the responsible authority for granting both residence permits.

Q14e. What is the processing time for application for the residence permit in your legislation? Please explain distinguishing between (i) maximum processing time set in legislation and (ii) average processing time in practice:

The maximum legal processing time is 3 months after the file is completed.

The Directorate of Immigration reported that no definite answer can be given regarding the average processing time in practice. Firstly, each application is processed on a case-by-case basis, and secondly, the inter-ministerial consultative commission for independent workers meets once per month to issue an opinion before each decision regarding the issuance of an ‘independent worker’ residence permit. For these reasons, the processing times in practice can vary.

Q14f. What is the duration of the visa/residence permit?

The Immigration Law stipulates that the self-employed residence permit is valid for a maximum of 3 years and is renewable for a further duration of three years provided the conditions for renewal are still met (see also Q14b and Q23a-e). In practice, the first residence permit is issued for a period of 1 and 1/2 years to 3 years, again depending on the individual case of the applicant and according to the opinion issued by the consultative commission for independent workers (see above). Furthermore, the Directorate of Immigration reported that, in general, their policy is to issue the first residence permit for the maximum duration of 3 years if possible, as this would be in the interest of all parties involved.

Regarding the residence permit for investors, the Immigration Law stipulates that the permit is valid for a duration of 3 years and is renewable for a duration of three years (see also the answers to Q23a-e) after having obtained a positive opinion on the application from the Minister in charge of Immigration and provided the conditions for renewal are still met (see also Q14b).

Q14g. Could the start-up founder employ third-country nationals? Under which scheme? What are the conditions that they have to fulfil?

Yes. The start-up founder can employ third-country nationals (TCNs) under the authorisation of stay for ‘salaried worker’. Besides the conditions that need to be fulfilled in order to enter the territory, the TCN applying for the authorisation of stay for ‘salaried worker’ must fulfil the following conditions:

1) The hiring priority for certain categories of workers has to be respected. The TCN has to pass the labour market test: the employer declares the vacant position with the National
Employment Agency (‘Agence pour le développement de l’emploi’ – ADEM) who will then check whether the vacant position can be filled by an individual available on the national or European labour market. If the ADEM is unable to source a candidate with the desired profile within 3 weeks, the employer may ask the ADEM to provide a certificate allowing them to recruit the third country individual of their choice.

2) The activity to be carried out serves the economic interests of Luxembourg.
3) The employee has the professional qualifications required for the job.
4) The employer must sign a contract with the TCN for a vacant position declared at the ADEM.

The contract may include a let-out clause specifying that the employment contract will not take effect until the work permit has been obtained. The employer must provide the original ADEM certificate to the TCN, who must include it with her/his work permit application.

In practice, and if the profile of the employees is very specific, the application of the salaried worker authorization of stay can be filed at the Directorate of Immigration in parallel to the application of the start-up founder so that once the last one is approved the first one will follow.

If the Minister in charge of immigration considers that the conditions established in the Immigration law for a salaried worker are not fulfilled, he can submit the file to the Consultative Commission for Salaried Workers to provide an opinion before taking a refusal decision for the authorisation of stay for salaried worker or a work permit.

Q14h. What are the challenges regarding admission of start-ups and innovative entrepreneurs from the national stakeholders’ perspective as well as if possible, from the TCNs perspective? For each challenge mentioned, please describe a) for whom it is a challenge (e.g. policy-maker, organisation, other stakeholders), b) why it is considered a challenge and c) what is the source of the statement – e.g. based on input from experts, surveys, evaluation reports or from other sources (please indicate which ones).

A number of challenges regarding the admission of start-ups and innovative entrepreneur have been reported by stakeholders consulted in the context of this study.

The Luxembourg Chamber of Commerce and the House of Entrepreneurship reported that there is a need to establish a clear legal framework defining the different categories of residence permits. According to them, in practice, it is not possible to treat every case with a ‘one size fits all’ philosophy as particularly start-ups can vary significantly according to required business permits and the economic sector that they intend to work in (see Q3a-b for more details on the requirements for starting up a business). Furthermore, both actors reported that the use of paper files to handle the applications related to the immigration pathways and the business permits are slowing down the application processes. For this reason, the House of Entrepreneurship has established a system for start-ups from abroad that are of interest for the national economy by which these companies or founders are closely supported and accompanied to be able to pass the immigration process as fast as possible (see also Q7e and Q14i).

The Directorate of Immigration did not report any particular challenges regarding the issuance of residence permits for independent workers and investors as the current existing regulations are seen as sufficient by the stakeholders involved.

Q14i. What are the good practices identified in your (Member) State? For each good practice mentioned, please describe a) for whom it is a good practice (policy-maker, organisation, other stakeholders), b) why it is considered a good practice and c) what is the source of the statement – e.g. based on input from experts, surveys, evaluation reports or from other sources (please indicate which ones).

One of the good practices identified in the context of this study is the assistance provided by the Luxembourg Chamber of Commerce in the development of the business plan as well as the assistance provided during all the administrative procedure for obtaining the business permit and the residence permit. It should be mentioned again in this context that the House of Entrepreneurship of the Luxembourg Chamber of Commerce serves as a One Stop Shop which provides support to businesses
and project owners who are confronted with questions on any aspect of business life (see Q3b). It provides support to business creators who want to implement their project: a) compiling the project file, b) following up the business permit application and c) assisting with various administrative procedures.

As mentioned in Q7e and Q14h, another good practice is the fact that nowadays, the applicants are closely supported and accompanied to be able to pass the immigration process as fast as possible. The Directorate of Immigration reported that the overall good and productive communication with the relevant stakeholders involved (particularly with the relevant national authorities in the context of the consultative commission for independent workers, the Ministry of the Economy and Luxinnovation) are considered to be a good practice. Furthermore, the overall pragmatic approach taken by the administration to find the best possible solution for applications is also considered as a good practice in Luxembourg.

### 3.4. Case study scenarios [FOR ALL (MEMBER) STATES]

With the use of fictional scenarios, the following question aims to provide an understanding of the possible admission options of different types of start-ups and innovative entrepreneurs. This question should be answered by all (Member) States – i.e. those with a specific scheme in place and those without such a scheme.

**Q15.** Please consider the following fictional scenarios (case studies) and for each scenario, please answer the following questions:

1. What are the migratory pathways (visas/residence permits) available?
2. Would the person qualify for the permit and if yes, under what specific conditions?
3. Which authority would assess the eligibility of the applicants?
4. What is the application process?
5. How long would it take for the person to obtain the permit?

1. **TCN outside of the EU, has not set up business yet:** Start-up at business plan stage, has not registered the company in the Member State, wants to apply from outside the EU

   **Vihaan is a highly skilled professional from India with a Master’s degree from University of Delhi, currently living in Delhi. For the past few months he has been working in an IT company there, but he plans to start his own business in the near future. He already has a business plan for a service-based app that he thinks could do well in your Member State. His goal is to come to your Member State and start his company there. What is the process that Vihaan would have to go through to build his start-up in your Member State?**

   **Answer:**

   In order to build his start-up in Luxembourg, Vihaan has to apply for an independent/self-employed authorization of stay.

   The applicant must fulfil the conditions establish by the Immigration Law:

   a) provide proof of required qualifications to carry out the planned activity and, where applicable, be registered on the respective professional lists or registers;

   b) where applicable, ensure that he fulfil the conditions set out by law to access the professions of craftsman, trader, industrialist and certain liberal professions;

   c) provide proof that he has sufficient resources to carry out the desired activity in Luxembourg;

   d) ensure that the activity carried out serves the interests of the country in terms of economic benefit (i.e. as a response to an economic need; in terms of integration in the national or local economic context; in terms of viability and sustainability of the business project; in creating jobs; and in terms of investment, namely in research and development, innovation or specialization), or in terms of social or cultural interest.

   In principle, Vihaan has to submit the application personally (either at the diplomatic representative of Luxembourg in his country of origin or residence or at the Directorate of Immigration in Luxembourg). However, he may appoint a third party to carry out the necessary procedures.
However, as the activity requires a business permit, Vihaan must add to his application for the authorization of stay the outline consent from the Ministry of the Economy regarding the issuance of the business permit (which in practice has to be applied simultaneously). If the activity requires other authorisations, accreditations or registrations, Vihaan must include a copy of his/her authorisation or registration/accreditations or the outline consent of the competent authority with his application. The application for the business permit will be analysed by the Consultative Commission of Independent/self-employed workers that will review that the conditions above mentioned are fulfilled.

Once Vihaan is granted the authorization of stay as an independent/self-employed worker, he must apply for a long-term visa in the (D-visa), 90 days after being notified of the decision of the authorization of stay.

Once he enters the country, in the following three days he has to register at the municipality where he is going to reside and then apply within three months for a residence permit at the Directorate of Immigration, including a copy of the temporary authorization of stay, the receipt registration with the Municipality, the medical certificate, the proof of adequate accommodation and the proof of payment of the fee for the residence permit application.

2. **TCN already in the EU, working as a highly skilled employee**: Highly skilled third-country national who came on an EU Blue Card or an alternative national permit for highly skilled workers working for a company in a certain industry; after 2 years of working for the company wants to start his/her own business

Amel is a Tunisian citizen working for “B Solutions”, a biotech company in your Member State on an EU Blue Card permit or an alternative national permit for highly skilled workers arranged through her employer. After having worked for the company for two years, she feels that she is ready to take on a new challenge. She would like to start her own business in the same sector and set up a company that offers high-tech solutions to recycle waste in new, innovative ways, remaining in your Member State. What are her possibilities?

Answer:

Amel may apply for a self-employed/independent worker authorisation of stay and residence permit. As she is already in the territory and is holder of a Blue Card residence permit, she can apply first for the business permit to the Directorate of Small and Medium Sized Enterprises of the Ministry of the Economy and then for a self-employed/independent authorisation of stay at the Directorate of Immigration of the Ministry of Foreign and European Affairs.

She has to follow the same procedure mentioned in the case of Vihaan (see above) with the exception that she does not have to apply from Tunisia and does not have to apply for the visa.

She also can apply as an investor but she will be obliged to fulfil all the conditions of article 53bis of the Immigration Law.

3. **TCN outside of EU, registered company**: Start-up just started, registered company outside the EU would like to set up in the Member State

Sergey from Minsk, Belarus owns a company “Icomp Technologies”, a manufacturing company which has just launched the production of electronic components in IoT (Internet of Things) technology sector. The company has already shipped some experimental production to third country markets, such as Japan and Malaysia, and based on the initial success it was decided to reallocate company’s headquarters to your Member State for further business development. What is the process that Sergey would have to go through to move the headquarters? Are there any additional provisions for other staff members aiming to reallocate to a Member State?

Answer:

Normally start-ups from third-countries that are established in Luxembourg have to establish their European Headquarters in Luxembourg in order to access the European market.

In this case, Sergey must follow the same procedure to obtain the self-employed/independent worker residence permit and the business permit that Vihaan followed. The only difference is that instead of...
registering a new company, he has to create a new company that will act as a branch in Luxembourg. Another possibility will be to apply for an investor residence permit if Sergey fulfils the conditions mentioned above.

As explained in the answer of Q.14g, staff who wants to resettle in Luxembourg with the new headquarters will have to apply as salaried workers or highly qualified workers.

4. **TCN already in the EU, PhD or master student**

<table>
<thead>
<tr>
<th>Auri is a Dominican PhD student at a university in your Member State in the field of biotechnology studies. In parallel to her studies (outside her PhD contract), Auri researched fermentation and revealed yet unknown characteristics of the investigated ferment. Auri discovered that the reaction between the researched ferment and a specific enzyme could have a particular effect on human’s skin regeneration. She was approached by a potential investor who saw the potential of the discovery in the medical cosmetology sector. Auri would like to register a company in your Member State and undertake further necessary research to receive patents and start the production of agents as a next stage. What are her possibilities?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Answer:</strong></td>
</tr>
<tr>
<td>In this case, there can be a change of status from a student residence permit to a self-employed residence permit. The Immigration Law authorises the third-country national student who finishes its Master or PhD to apply one month before finishing his/her studies for an authorisation of stay and a residence permit for private reasons (job search or creation of enterprise). The residence permit is valid for 9 months. If, during this time period, the TCN student creates an enterprise, then the original authorisation of stay and residence permit will be changed for an authorisation of stay and a residence permit as an independent worker. In the case of Auri, she can found a company even while on a student residence permit. There is no barrier to this activity under Luxembourgish law and she does not need any authorisation for doing so. The only risk is that the PhD student cannot work more than 15 hours per week for an employer if s/he does not have a PhD contract as a researcher with the University. However, if she is working for herself this restriction is not applicable to her. If she does so, the residence permit can be revoked. So there are two possibilities:</td>
</tr>
<tr>
<td>a) Auri wants to establish her start-up before the end of her studies: In this case, Auri has to apply for an authorisation of stay as a self-employed worker. She can apply for the change of status directly in Luxembourg. She must follow the same procedure that Vihaan followed (see first case above).</td>
</tr>
<tr>
<td>b) The second option is that Auri finishes her studies and then applies for the resident permit for private reasons for “job search or creation of an enterprise”, 1 month before the finishing of her studies. Once she obtains this residence permit she has 9 months to create her start-up following the normal procedure. As soon as her project is viable - and before the 9 months deadline expires - she can change the status to a self-employed worker residence permit. In order to do this she can create a simplified limited liability company (SàRL-S).</td>
</tr>
</tbody>
</table>

---

| cclxiv | The Immigration Law authorises the third-country national student who finishes its Master or PhD to apply one month before finishing his/her studies for an authorisation of stay and a residence permit for private reasons (job search or creation of enterprise). |
| cclxv | The residence permit is valid for 9 months. If, during this time period, the TCN student creates an enterprise, then the original authorisation of stay and residence permit will be changed for an authorisation of stay and a residence permit as an independent worker. |
| cclxvi | In the case of Auri, she can found a company even while on a student residence permit. There is no barrier to this activity under Luxembourgish law and she does not need any authorisation for doing so. The only risk is that the PhD student cannot work more than 15 hours per week for an employer if s/he does not have a PhD contract as a researcher with the University. However, if she is working for herself this restriction is not applicable to her. If she does so, the residence permit can be revoked. |
| cclxx | So there are two possibilities: |
| cclxxi | a) Auri wants to establish her start-up before the end of her studies: In this case, Auri has to apply for an authorisation of stay as a self-employed worker. She can apply for the change of status directly in Luxembourg. She must follow the same procedure that Vihaan followed (see first case above). |
| cclxxii | b) The second option is that Auri finishes her studies and then applies for the resident permit for private reasons for “job search or creation of an enterprise”, 1 month before the finishing of her studies. Once she obtains this residence permit she has 9 months to create her start-up following the normal procedure. As soon as her project is viable - and before the 9 months deadline expires - she can change the status to a self-employed worker residence permit. In order to do this she can create a simplified limited liability company (SàRL-S). |

---

| cclxxiv | In this case, there can be a change of status from a student residence permit to a self-employed residence permit. |
| cclxv | The Immigration Law authorises the third-country national student who finishes its Master or PhD to apply one month before finishing his/her studies for an authorisation of stay and a residence permit for private reasons (job search or creation of enterprise). |
| cclxvi | The residence permit is valid for 9 months. If, during this time period, the TCN student creates an enterprise, then the original authorisation of stay and residence permit will be changed for an authorisation of stay and a residence permit as an independent worker. |
| cclxx | So there are two possibilities: |
| cclxxi | a) Auri wants to establish her start-up before the end of her studies: In this case, Auri has to apply for an authorisation of stay as a self-employed worker. She can apply for the change of status directly in Luxembourg. She must follow the same procedure that Vihaan followed (see first case above). |
| cclxxii | b) The second option is that Auri finishes her studies and then applies for the resident permit for private reasons for “job search or creation of an enterprise”, 1 month before the finishing of her studies. Once she obtains this residence permit she has 9 months to create her start-up following the normal procedure. As soon as her project is viable - and before the 9 months deadline expires - she can change the status to a self-employed worker residence permit. In order to do this she can create a simplified limited liability company (SàRL-S). |
Section 4: Attracting start-ups and innovative entrepreneurs from third countries

This section examines the measures and incentives to attract TCN start-ups and other innovative entrepreneurs in place in the (Member) States.

Q16. Does your (Member) State have specific measures in place to attract start-up founders and innovative entrepreneurs from third countries?

☒ No

There are no specific measures in place to particularly attract start-up founders and innovative entrepreneurs from third countries. All the existing measures reported in the table in Q18 are accessible for every person regardless of their nationality. However, there are two measures mentioned in said table that are aimed at third-country nationals, which however are not per se measures to attract third-country national innovative entrepreneurs, but which allow for a simplification of administrative procedures (see table ‘II.INCENTIVE MEASURES’ in Q18).

Q17a. Are the following actors involved in attracting and encouraging the start-ups and innovative entrepreneurs from third countries?

☒ Private sector. If yes, please elaborate how are they involved:

The private sector participates in the development of global strategies in order to attract start-ups. This is done through international fairs, Luxembourg Trade Offices and economic missions in which the private sector participates. However, each function is assigned to a different authority: prospect activities are undertaken by the Ministry of the Economy, promotion is the competence of the Luxembourg Chamber of Commerce. This collaboration is institutionalised though the establishment of the Luxembourg Trade and Investment Board. At the same time, the private sector is an active part of Luxembourg Cluster Initiative which is aimed at strengthening the research, development and innovation potential of the companies within each cluster.

☒ Universities and Higher Education Institutions (i.e. encouraging international students to stay as start-up entrepreneurs). Please elaborate:

The University of Luxembourg Incubator aims to prepare its students, regardless of nationality, to enter the labour market and facilitate the start-up creation in view of enabling them to contribute to the socio-economic growth of Luxembourg. More specifically, this entity offers several services to students such as office spaces, access to a full infrastructure at low costs, administrative support, mentoring (i.e. consultancy with experienced entrepreneurs and professional experts) and access to a business network inside Luxembourg and beyond. Furthermore, the Incubator offers a range of different events, such as workshops, inspirational talks, roundtables and networking events. Its flagship event is called ‘Ideation Camp’, a 72 hours hands-on entrepreneurship workshop during which the participants split up in interdisciplinary and multinational teams, work on innovative business ideas. They are supported by dedicated mentors from the Luxembourgish entrepreneurship ecosystem as well as industry experts.

In more general terms, the University of Luxembourg offers a Master in Entrepreneurship and Innovation. This Master is a programme of the Luxembourg Business Academy, which is a privileged partnership between the University of Luxembourg and the Luxembourg Chamber of Commerce. Among the key objectives of the programme are the extending of knowledge and understanding of the foundational principles of new venture creation and business start-up in different contexts (social, corporate, ‘for profit’, etc.). Students will learn to critically assess and extend their entrepreneurial skills through direct interaction with colleagues/tutors on the course as well as entrepreneurs and local companies. Furthermore, the programme enables students to understand the components that are essential for setting up a business plan and to introduce different business and financial models. One of the core blocks during the first academic year provides students the opportunity, subject to availability, to integrate a local start-up company for 4 to 6 weeks (unpaid) in order for them to personally experience the life in a start-up environment.

In this context, it is also important to highlight a recent legislative amendment to the Immigration Law that allows third-country national students to apply for a residence permit in order to...
start a company after finishing their Masters or PhD degree in Luxembourg. The Career Centre of the University of Luxembourg also supports third-country national students by raising awareness of employers as well as students themselves about the aforementioned legislative change to the Immigration Law.

Local and regional authorities (e.g. cities and regions). Please elaborate:

Local and regional authorities can play a role in attracting and encouraging start-ups and innovative entrepreneurs in general by providing the best possible environment and infrastructure that foster the development of these type of businesses. In this context, the political will by the authorities to establish such businesses as a new pillar is an important prerequisite for their attraction. Furthermore, within the framework of the overall public relations strategies, the assets of the cities or the regions need to be put forward in order to raise the visibility hubs.

Q17b. Do government authorities cooperate with the private sector in attracting start-ups and innovative entrepreneurs from third countries? Please specify which government institutions and private-sector actors (e.g. companies, employer associations etc.) are involved.

Yes. This collaboration is done through the Luxembourg Trade and Investment Board, which manages the global strategic direction to attract investment in Luxembourg. The three main actors are the Ministry of the Economy, Luxinnovation and the Luxembourg Chamber of Commerce. The major banks of the financial sector and the big companies of the industrial and innovative sectors are sponsors in this context.

Furthermore, the government authorities also cooperate with the private sector in the context of the Luxembourg Cluster Initiative where they may act as strategic partners within the varies existing clusters (see also Q1b and Q5).

Q18. Please complete the table below with regard to the (applicable) (I) Rights and (II) Incentive measures in place to attract start-up founders (not employees) from third countries in your (Member) State.

<table>
<thead>
<tr>
<th>Rights</th>
<th>Brief description of the rights granted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilitation to access permanent residence</td>
<td>Yes. Once the self-employed residence permit is granted for a maximum duration of 3 years (in practice: the first residence permit is issued for 1 year) it can be renewed at its expiration for additional three years, if all the conditions are still met. After this first renewal, it can be renewed if all the conditions are still the same. After five years of permanent residence, the self-employed worker can apply for a long-term residence permit. In the case of a third-country national investor, the residence permit is issued for a duration of three years and can be renewed for another period of three years.</td>
</tr>
<tr>
<td>Access to employment</td>
<td>Yes. The self-employed worker residence permit allows the holder to work in the activity in which s/he is authorised by the permit. In the case of the investor residence permit, it will depend if the third-country national is just a passive investor in which case s/he will not be entitled to work. However, if the third-country national is part of the management of the start-up, s/he will be allowed to work in the company.</td>
</tr>
<tr>
<td><strong>Possibility to be accompanied by family members</strong></td>
<td>No. There is no automatic possibility for the family members to enter the country, they have to fulfil the conditions for family reunification. The family members (spouse and children) cannot enter the country with the self-employed worker.</td>
</tr>
<tr>
<td><strong>Family members allowed to access the labour market</strong></td>
<td>Yes. Holders of a residence permit who wish to carry out a professional activity can submit an application to carry out an ancillary activity as a family member or submit an application for a residence permit for salaried workers or for self-employed workers. The first residence permit is valid for one year. If the family member decides to apply for a salaried worker residence permit or ancillary activity, but has resided in the country for less than one year, s/he must pass the labour market test. After one year, the applicant is not required to pass the labour market test.</td>
</tr>
<tr>
<td><strong>Other rights (please specify)</strong></td>
<td>In any case, salaried employment outside of the activity is not authorised.</td>
</tr>
</tbody>
</table>
### II. INCENTIVE MEASURES (refers to governmental, private sector and structural incentives)

<table>
<thead>
<tr>
<th>Measure</th>
<th>Brief description of the measure</th>
<th>Are the attraction measures campaign-like or permanent measures?</th>
<th>Who implements the measure? (state, private sector, in cooperation etc)</th>
<th>Applies to:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Facilitations for admission:</strong> If yes, please explain what they entail (shortened processing time, reduced documentary requirements etc.)&lt;sup&gt;.xx&lt;/sup&gt;</td>
<td>The only facilitation measure is the fact that some third-country start-ups are closely supported and accompanied by the House of Entrepreneurships and the Luxembourg Chamber of Commerce in order to be able to pass the immigration process as fast as possible (see also Q7e and Q14i).&lt;sup&gt;.xxv&lt;/sup&gt;</td>
<td>Permanent measures on a case-by-case basis</td>
<td>Private sectors</td>
<td>☒  ☐</td>
</tr>
<tr>
<td><strong>Co-working and dedicated spaces (facilities for shared use of start-ups/businesses)</strong></td>
<td>The Technoport&lt;sup&gt;.xxvi&lt;/sup&gt; co-working space provides access to the shared office infrastructure, connexions to networks and to the Technoport support team, which also organises a number of co-design events and activities. The LHoFT Foundation (Luxembourg House of Financial Technology)&lt;sup&gt;.xxvii&lt;/sup&gt; places its co-working spaces at the disposal of companies dedicated to financial technology. Nyuko&lt;sup&gt;.xxviii&lt;/sup&gt; provides free of charge support to social entrepreneurs in the pre-creational phase of their project. WishBox&lt;sup&gt;.xxix&lt;/sup&gt; assists start-ups with marketing and administrative support and a co-working space for an affordable price. The Office&lt;sup&gt;.ccc&lt;/sup&gt; and Silversquare&lt;sup&gt;.ccci&lt;/sup&gt; are co-working spaces designed to bring together a community of start-ups, freelancers and self-employed entrepreneurs. 1535° Creative Hub&lt;sup&gt;.ccci&lt;/sup&gt; operates a spacious co-working space for businesses in the creative sector spread across former industrial buildings in Differdange. Maison Breedewee&lt;sup&gt;.ccxii&lt;/sup&gt; is a centrally located business club and co-working space which provides legal and administrative assistance for new and existing businesses.</td>
<td>Permanent measures</td>
<td>Private sector</td>
<td>☐  ☒</td>
</tr>
<tr>
<td>Measure</td>
<td>Brief description of the measure</td>
<td>Are the attraction measures campaign-like or permanent measures?</td>
<td>Who implements the measure? (state, private sector, in cooperation etc)</td>
<td>Applies to:</td>
</tr>
<tr>
<td>---------</td>
<td>---------------------------------</td>
<td>---------------------------------------------------------------</td>
<td>---------------------------------------------------------------------</td>
<td>--------------</td>
</tr>
</tbody>
</table>
| Access to incubation/accelerator support programmes | Incubators:  
Technoport is a technology-oriented business incubator whose goal is to "promote and support the creation and development of innovative and technology-oriented companies in Luxembourg. Technoport provides either individual entrepreneurs or foreign innovative businesses with access to resources that they typically lack in terms of business support services and infrastructure."  
The LHoFT Foundation is a public-private sector initiative which brings financial technology firms together and provides them with training and a platform for access to the EU market. It counts in its ranks senior executives from private sector institutions as well as representatives from the Luxembourg Government.  
The House of Start-Ups bundles the Luxembourg-City Incubator (LCI), the LHoFT, the Hub@Luxembourg, the International Climate Finance Accelerator (ICFA) and Nyuko. It operates as a one-stop desk, offering counselling in legal issues, accounting, web design, marketing and data management, among others.  
The Paul Wurth Incub offers a broad range of services to entrepreneurs active in the field of industrial technologies.  
Lux Future Lab offers its physical facilities, training, consulting as well as networking opportunities and access to investors to new entrepreneurial projects.  
The Innovation Hub Dudelange hosts young businesses in the field of EcoTechnologies.  
Neobuild manages the cluster for technological innovation in sustainable construction. The areas of expertise are firstly articulated around the high environmental and energy performance of buildings.  
The House of BioHealth puts its hosting facilities at the disposal of start-up companies in the field of BioTech, CleanTech, and ICT. | Permanent measures | State and private sector | ☐ ☒ |
<table>
<thead>
<tr>
<th>Measure</th>
<th>Brief description of the measure</th>
<th>Are the attraction measures campaign-like or permanent measures?</th>
<th>Who implements the measure? (state, private sector, in cooperation etc)</th>
<th>Applies to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>6zero1</td>
<td>supports entrepreneurs engaged in social and societal issues throughout the process of creating and launching their enterprise. The <strong>UNI.lu Incubator</strong> hosts start-up companies from current students and alumni of the University of Luxembourg.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accelerators:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The <strong>Founder Institute Luxembourg</strong> concentrates on giving support and mentoring to entrepreneurs and teams from the earliest stages of conception and development.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Nyuko</strong> collaborates with customers in 3 different acceleration cycles (early-stage, commercial launch, internationalization).</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EYnovation</strong> provides a number of services aimed at new entrepreneurial initiatives at the seed, start-up, grow or expansion phase.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tomorrow Street</strong> works in close partnership with Vodafone and Technoport, concentrating mostly on start-ups active in the fields of internet of things, artificial intelligence, and cybersecurity.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A program run by KPMG, <strong>The KHUBE</strong> it offers support for emerging companies in the financial technology environment.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tax incentives</strong> (benefits, reductions, exemptions, etc.)</td>
<td>Not applicable</td>
<td></td>
<td></td>
<td>TCNs only</td>
</tr>
<tr>
<td><strong>Consultation services/facilitators</strong> help in networking/accessing networks</td>
<td>Yes. Through the Luxembourg Chamber of Commerce, the House of Entrepreneurship, Luxinnovation and the Luxembourg Cluster Initiative.</td>
<td>permanent</td>
<td>State and private sector</td>
<td>☐</td>
</tr>
<tr>
<td>Measure</td>
<td>Brief description of the measure</td>
<td>Are the attraction measures campaign-like or permanent measures?</td>
<td>Who implements the measure? (state, private sector, in cooperation etc)</td>
<td>Applies to:</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------</td>
<td>------------</td>
</tr>
</tbody>
</table>
| Training programmes for start-ups          | Coaching & Networking:  
123 go\textsuperscript{cccxxx} provides support in conceptualising a business plan as well as the opportunity to establish a valuable business network.  
Impuls Accelerator\textsuperscript{cccxx} concentrates on companies presenting a social, environmental or solitary engagement. The program comprises coaching, networking, and access to a co-working space. | | Private sector | TCNs | Gen |
| Financial support to cover administrative and/or staff costs | Not applicable | | | TCNs | Gen |
| Other special incentives                    | Investor care: This is a specific programme for potential clients/investors, who are identified as interesting clients/investors by the Luxembourg Trade and Investment Offices (LTIO). The Ministry of the Economy, Luxinnovation, the Luxembourg Chamber of Commerce and the House of Entrepreneurships set up the first contact with the companies the investors/clients are interested to talk, guided visit of the city, schools, restaurants and provide them with information on culture, nightlife, etc. The end game is to consider investors as persons and not as projects with a less technical approach (respond to the need of the clients).\textsuperscript{cccxxi} This approach is a paradigm change as the investors when they come to visit Luxembourg have already studied the country and they already know the hard facts.\textsuperscript{cccxxii}  
Simplified limited liability company: was introduced in January 2017 which allows to set up a business with a capital of EUR 1. With regard to administrative procedures for the establishment of this type of company there are no significant simplifications, except that the constituting act can be drafted without passing to a notary. From January 2017 till January 2019 more than 1,350 this type of companies were created.\textsuperscript{cccxxiii} | Permanent measures | Private sector (Luxembourg Chamber of Commerce and House of Entrepreneurship) | Legislation | TCNs | Gen |
Q19. Are there any measures to encourage and foster innovative entrepreneurship and start-ups for third-country nationals already present in the (Member) State? (e.g. in the context of integration measures)

There are no specific measures in place that are only targeted for third-country nationals. All the measures described above are aimed at encouraging and fostering innovative entrepreneurship and start-ups in general.

It is to be noted that in the framework of the action plan on integration 2018 (or PAN 2018), one of the five priority areas is aimed at strengthening the employability of non-Luxembourgish residents. More specifically, the action plan mentions two measures that would benefit the entrepreneurial ecosystem in Luxembourg, namely 1) the promotion of business creation by non-Luxembourgish residents and 2) the facilitation of the access to certain activities that are subject to a business permit.

Q20a. Does your (Member) State carry out promotional activities and dissemination of information targeted to start-up founders and innovative entrepreneurs?

☒ Yes. If yes, please explain/elaborate, specifying which actors are responsible (and whether it is a public or private actor) giving examples:

If yes, please specify if the promotional activities are carried out in your (Member) States or abroad.

There are several actors involved in the promotional activities and dissemination of information. The Ministry of the Economy, the Luxembourg Chamber of Commerce, the House of Entrepreneurship and the Chamber of Skilled Crafts are mainly providing and dissemination information targeted to start-up founders and innovative entrepreneurs in general.

Luxinnovation as the National Agency for the Promotion of Research, Development and Innovation has an important role in the promotion of Luxembourg abroad. In 2018, Luxinnovation participated in and supported 26 official missions and sector-specific prospection visits. As a result, 12 international companies decided to settle in Luxembourg. Furthermore, as a member of the Enterprise Europe Network, Luxinnovation is providing partnering services, organising matchmaking events and networking conferences for potential business and innovation partners.

Another important component is the attendance of actors such as Luxinnovation in international fairs and events, such as Vivatech, JEC World or the Web Summit in order to promote the Luxembourgish start-up ecosystem and the Fit4 Start acceleration programme.

Eight Luxembourg Trade & Investment Offices (Abu Dhabi, New York, San Francisco, Seoul, Shanghai, Taipei, Tel Aviv and Tokyo) are committed to assist in the expansion of businesses to Luxembourg. At the same time, they are an important source and support for other actors such as Luxinnovation in obtaining useful information and organisation of missions. The LTIO are also an important partner in official economic missions conducted by Ministry of the Economy, the Luxembourg Chamber of Commerce, Luxembourg Trade and Invest and/or Luxembourg for Finance.

Finally, online portals such as the 'Nation Branding' campaign, the Innovation portal, Luxembourg for Finance and Luxinnovation are important sources of information for start-ups and innovative entrepreneurs that want to establish their business in Luxembourg.

Q20b. Does your (Member) State aim to create a national / regional 'brand' (e.g. visual image, perception, etc.) of the start-up scheme?

☒ No.

Luxembourg does not have a specific start-up scheme in place nor a general national brand under which the start-ups are covered.
However, the Luxembourgish government aims to continue the efforts to promote Luxembourg as a ‘start-up nation’ and to accelerate the development of the start-up ecosystem in Luxembourg. It is in this context that the government aims to establish an online communication and marketing strategy in the framework of the "Nation Branding" in collaboration with Luxinnovation. Furthermore, the House of Entrepreneurship has requested a website ('Luxembourg for Start-ups') from the Government authorities similar to the website 'Luxembourg for Finance' in order to promote Luxembourg as a start-up nation.

Q20c. Have there been any evaluations of the effectiveness of promotional activities in Q19a. carried out?
☒ No.

However, Luxinnovation reported that they conduct internal evaluations of the events that they participate in.

Q21. Based on existing national sources (evaluation reports, media reports, etc.), what are the factors affecting the attraction of start-up founders/employees in your (Member) State – including both positive factors and obstacles? Please select all relevant boxes.

☒ Hubs and locations for start-ups (e.g. cities).
    Luxembourg is known to have a very open and stable economy that exports over 80% of its domestic production, making Luxembourg an important political and economic partner across European and international spheres. Despite its rather small national market, Luxembourg is at heart of the Greater Region (an area composed of the Grand Duchy and the neighbouring countries of Belgium, France, and Germany) and plays prominent roles in its development. Furthermore, Luxembourg is one of the three ‘capitals’ of the European Union, along with Brussels and Strasbourg, hosting a number of European departments and institutions and playing an important role in the economic market of the European Union.

☒ Culture.
    Due to its very diverse resident population (47,5% non-national residents), Luxembourg has a very multicultural and multilingual workplace, the latter being the highest in the EU. Furthermore, Luxembourg also has a multilingual educational system.

☒ Socio-economic factors (e.g. living costs).
    Socio-economic factors play an important role in the attraction of start-ups/employees in Luxembourg, both positively and negatively. The living costs, in particular housing, are quite high in Luxembourg. And while salaries are also comparatively high in Luxembourg, making the country an attractive workplace for employees, these costs also mean higher expenses for employers.

☐ Other (please specify):
entrepreneurs in general and argue for the development of a fiscal policy that guarantees competitiveness and balances the operating costs of establishment in the country (see also Q7e). cccliii

The Government recognises this challenge and announced in its current Government programme to analyse the introduction of fiscal measures in order to promote the investments of private investors in innovative enterprises. cccliv

Similar to the challenge reported in Q14h regarding the admission, Luxembourg faces challenges in attracting start-ups and innovative entrepreneurs specifically from third-countries due to administrative procedures that are sometimes considered as being too long and burdensome. ccclv

**Q22b.** What are the **good practices** identified in attracting start-ups and innovative entrepreneurs from third countries in your (Member) State? *For each good practice mentioned, please describe a) for whom it is a good practice (policy-maker, organisation, other stakeholders), b) why it is considered a good practice and c) what is the source of the statement – e.g. based on input from experts, surveys, evaluation reports or from other sources (please indicate which ones).*

One good practice identified in attracting start-ups and innovative entrepreneurs is the launch of the House of Entrepreneurship by the Luxembourg Chamber of Commerce as a single contact which provides information and support to businesses and project owners. ccclvi

**Section 5: Renewal of residence permits/visas and retention measures for start-ups and innovative entrepreneurs**

*This section aims at exploring the possibilities for renewal of residence permits/visas granted to start-up founders and innovative entrepreneurs as well as retention measures. The section should be answered by all (Member) States. In case there is no specific start-up visa/residence permit in your (Member) State, please answer with reference to the schemes/visas/permits TCN start-up founders and innovative entrepreneurs can apply for.*

**Q23a.** Is it possible to renew the start-up visa/residence permit?

☒ Yes. Please describe:

As a reminder, Luxembourg does not have a specific start-up visa/residence permit.

If the start-up founder is a holder of a ‘self-employed’ residence permit, s/he can apply for a renewal of the residence permit if all the conditions continue to be fulfilled. ccclvii

The holder of the ‘Investor’ residence permit can also apply for a renewal of his/her residence permit if all the conditions continue to be fulfilled. ccclviii

**Q23b.** If yes, what is the renewal period and are the following renewal options possible:

☒ a time limited extension to a visa/residence permit. Please describe:

For both types of residence permits mentioned in Q23a (‘investor’ and ‘self-employed’), the residence permit will be renewed for a period of 3 years.

☐ a permanent residence. Please describe:

**Q23c.** What are the **main requirements for renewal** of an initial start-up visa/residence permit?

The Immigration Law stipulates that the original conditions for granting of the first residence permit still have to be fulfilled in order for the residence permit to be renewed (see Q14a and Q14b). ccclix
Q23d. Is the actual establishment of the business checked by the responsible authorities when deciding on the extension of the residence permit?

Yes. The Directorate of Immigration checks if all the conditions for granting the residence permit are still valid, especially those related to the existence of the company and the hiring of the employees. In this context, the Directorate of Immigration verifies if the company did not file for bankruptcy, if the business permit is still valid, if the business figures and the hiring of staff are close to the projections set out in the business plan included in the application for the residence permit. Furthermore, the Directorate of Immigration may determine if the reason for the applicant to stay in Luxembourg is still justified.

Q23e. What are the procedures foreseen for TCNs with start-up visas/residence permits if:

- Their business ceases being a ‘start-up’ (e.g. they manage to turn their company into a successful business – this may be defined differently in different (Member) States). Please elaborate, explaining after what period and under what conditions the business is no longer considered as a ‘start-up’:

  N/A.
  
  The fact that a company is a start-up or not does not have any impact on the residence permit (see Q7a and Q14a-b) or its renewal. However, it may have an impact in case the company was granted subsidies.

- Their start-up fails. In this case, please clarify what would happen to the start-up founder and whether there are other visas/residence permits available for the TCNs to remain in your MS:

  If the start-up goes bankrupt beyond the fault of his/her founder, the founder may change his/her status to ‘salaried worker’ or ‘EU Blue Card holder’ if s/he can fulfil the criteria of the high skilled worker. If the TCN is the spouse or partner of an EU or EEA citizen, s/he can apply for a ‘family member’ residence permit if s/he fulfils the corresponding conditions of the Immigration Law. Furthermore, the Consultative Commission for Independent Workers may also determine if the founder is eligible to create a new company if the founder decides to apply for a new self-employed residence permit and fulfils all the necessary conditions set out in the Immigration Law (see Q14b).

- Their business plan changes after approval:

  The Minister in charge of Immigration is entitled to conduct checks on every third-country national residing in Luxembourg in order verify if the conditions of entry and stay are being respected. If these checks conclude that the business plan has changed, the Minister has several possibilities:

  a) request that the main activity be re-established to the original project and provide a deadline for doing so;
  
  b) determine if the founder may be allowed to change the business plan on the condition that the new business plan still encompasses an entrepreneurial activity and the founder has the necessary economic resources to carry out this new business project;
  
  c) revoke the residence permit if it is considered that the new business plan does not fulfil the conditions for granting the residence permit in the first place.
Q24a. Are the following retention measures in place for the start-up founders and innovative entrepreneurs?

☐ Simplified renewal process
☐ Tax relief schemes
☐ Others. Please elaborate:

No, neither a simplified renewal process of the residence permit nor tax relief schemes are in place in Luxembourg (see also criticism in Q3e).\textsuperscript{ccclxxix}

Q24b. What are the main challenges regarding the retention of start-ups and innovative entrepreneurs in your MS? For each challenge mentioned, please describe a) for whom it is a challenge (policy-maker, organisation, other stakeholders), b) why it is considered a challenge and c) what is the source of the statement – e.g. based on input from experts, surveys, evaluation reports or from other sources (please indicate which ones).

The Directorate of Immigration did not report any particular challenges regarding the renewal of residence permits for independent workers and investors as the current existing regulations are seen as sufficient by the stakeholders involved.\textsuperscript{ccclxx}

Luxinnovation reported that one of the main challenges regarding the retention is the mid- and long-term collaboration with the start-ups.\textsuperscript{ccclxxi}

Q24c. What are the good practices identified with regard to retention of start-ups and innovative entrepreneurs in your (Member) State? For each good practice mentioned, please describe a) for whom it is a good practice (policy-maker, organisation, other stakeholders), b) why it is considered a good practice and c) what is the source of the statement – e.g. based on input from experts, surveys, evaluation reports or from other sources (please indicate which ones).

Similar to the good practice reported in the context of the issuance of residence permits (see Q14i), the Directorate of Immigration reported that the overall good and productive communication between all the relevant stakeholders is considered to be a good practice.\textsuperscript{ccclxxii}

Q25a. Has any misuse of the migratory pathway for start-ups and innovative entrepreneurs has been detected in your (Member) State (for example, if someone applies for a start-up/entrepreneur visa to gain access to your (Member) State’s territory without the actual intention of founding a start-up/business)?

☒ No

The Directorate of Immigration did not report any major issues regarding the misuse of the migratory pathways for independent workers or investors as the entrepreneurial sector is not considered to be the most vulnerable sector when it comes to potential misuses of migratory pathways.\textsuperscript{ccclxxiii}

It should be reiterated at this point that a third-country national will only be issued a residence permit for ‘independent worker’ if the Consultative Commission for Independent Workers gives a favourable opinion on the application (see Q3b and Q14e).

Q25b. Do you have any information or statistics on the misuse of migratory pathways\textsuperscript{4} for start-ups and innovative entrepreneurs in your (Member) State?

No (see Q25a).\textsuperscript{ccclxxiv}

---

\textsuperscript{4} Misuse of migratory pathways refers solely to the cases in which someone has used the start-up visa/residence permit channel but does not intend to really set up a business and does not refer to potential illegal practices start-ups may be involved in as part of their business.
Q25c. What is the **survival rate** of start-ups launched by TCNs in your (Member) State? *Survival rate refers to the number of start-ups that manage to become profitable businesses (see definition).* Please explain.

As mentioned throughout the study, Luxembourg does not have a start-up scheme in place nor do the national legislative dispositions in place (‘self-employed worker’ or ‘investor’ residence permits) allow to assess how many start-ups have been launched by TCNs in Luxembourg. For these reasons, this question cannot be answered.

Regarding the Fit4Start acceleration programme (see Q1a), Luxinnovation reported that the survival rate of the start-ups that they support throughout the years is quite high, namely around 85% after two years and 65% after approximately 5 years.\textsuperscript{ccclxxv}

Q25d. Have there been **any evaluation or studies** of your national schemes on start-ups or other innovative entrepreneurs? Please summarise the main findings.

N/A

As Luxembourg does not have a start-up scheme, there are no evaluations or studies.

Furthermore, there have been no evaluations or studies conducted on ‘self-employed worker’ or ‘investor’ residence permits.
Section 6: Conclusions

This section of the Synthesis Report will draw conclusions as to the (Member) States’ policies and practices related to attracting and retaining start-ups and innovative entrepreneurs.

Q26. With regard to the aims of this study, what conclusions would you draw from your findings reached in elaborating your national contribution? In particular, what is the relevance of your findings to (national and/or EU level) policy-makers?

Fostering start-ups and innovative enterprises is a national policy priority for Luxembourg, which is however not specifically targeted at start-up founders and innovative entrepreneurs from third countries. This might explain why Luxembourg does not have a specific start-up scheme related to immigration pathways with specific criteria for creating a start-up or an innovative enterprise in place. Furthermore, several stakeholders consulted in the context of this study reported that the feedback that they receive from the relevant stakeholders involved points out that the legal dispositions in place correspond to the existing needs.

Several specific policies and strategies have been implemented in Luxembourg in order to support the establishment and the funding of innovative enterprises and/or projects. Two of these have been elaborated on in more detail in the context of this study, namely the Fit4Start acceleration programme by Luxinnovation and the amended Law of 17 May 2017 on the promotion of Research, Development and Innovation. The latter provides a national funding scheme for young innovative enterprises as well as a legal definition of innovative enterprise. Luxembourg does not have a legal definition of a start-up, which again is linked to the fact that Luxembourg does not have a specific start-up scheme in regards to immigration pathways.

At the same time, the topic of start-ups has recently been the topic of media attention, with several critical articles putting into evidence the ‘gap’ between the ambition that is publicly advertised of implementing the idea of Luxembourg as a ‘start-up nation’ and the reality on the ground. The criticism particularly targeted, among others, the regulatory barriers and bureaucracy, very long administrative procedures, the insufficiency of available financing and promotion programmes as well as the lack of societal respect vis-à-vis of entrepreneurial risk. This criticism is also shared in part by some of the stakeholders consulted in the context of this study, namely the Luxembourg Chamber of Commerce and the House of Entrepreneurship who pointed out that there is a need to establish a clear legal framework defining the different categories of residence permits.

To summarise, the topic of this study is considered as part of the overall national policy priority of Luxembourg to attract international investment, (innovative) enterprises and researchers in general. The legal framework in place to facilitate the migration of self-employed workers and investors who aim to contribute to the start-up ecosystem in Luxembourg is considered by some stakeholders as corresponding sufficiently to the existing needs. Other stakeholders, however, point out that the principle of ‘one size fits all’ does not necessarily apply particularly when dealing with start-ups.
i URL: https://digital-luxembourg.public.lu/sites/default/files/2018-06/DL_201804022_ECOSYSTEM-POSTER_05%20BAT.pdf

ii Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship, 13 February 2019.


vi The creation of the Luxembourg House of Fintech (LHoFT), which was created in 2016, is considered as a successful model that the Government would like to continue using to develop start-ups in other sectors.


vii See URL: https://www.luxinnovation.lu/innovate-in-luxembourg/performance-programmes/fit-4-start/

viii See URL: https://digital-luxembourg.public.lu/initiatives/digital-tech-fund


x Information provided by Luxinnovation on 20 May 2019.

See also: https://gouvernement.lu/fr/actualites/toutes_actualites/communiques/2019/03-mars/29-fit4start.html

xi See URL: https://www.luxinnovation.lu/innovate-in-luxembourg/performance-programmes/fit-4-start/


xiii For more information on the access and conditions to the grants, see: Luxinnovation, Fit4Start Application and Programme guidelines, p. 4-5. See URL: https://www.luxinnovation.lu/wp-content/uploads/2018/12/f4s-programme-rules.pdf.

xiv Amended Law of 17 May 2017 on 1. the renewal of aid schemes for Research, Development and Innovation; 2. the missions of the National Agency for the Promotion of Innovation and Research; and amending the amended Law of 5 June 2009 on the promotion of Research, Development and Innovation, published in Memorial A-544 of 2 June 2017. See URL: http://legilux.public.lu/eli/etat/leg/loi/2017/05/17/a544/jo


The guidelines for the application for State aid are available under the following link: https://guichet.public.lu/en/entreprises/financement-aides/aides-recherche-developpement/rdi/aide-entreprises-innovantes.html


Interview with Luxinnovation on 20 May 2019.

The guidelines for the application for State aid are available under the following link: https://guichet.public.lu/en/entreprises/financement-aides/aides-recherche-developpement/rdi/aide-entreprises-innovantes.html

Information provided by Luxinnovation on 20 May 2019. See also URL: https://guichet.public.lu/en/entreprises/financement-aides/aides-recherche-developpement/rdi/aide-entreprises-innovantes.html

See URL: https://www.luxinnovation.lu/innovate-in-luxembourg/funding/research-development-projects/

See URL: https://www.luxinnovation.lu/innovate-in-luxembourg/funding/european-funding-horizon-2020/


Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019, Information provided by the Directorate of Immigration of the Ministry of Foreign and European Affairs on 20 May 2019.


Ibidem.

Ibidem.

Ibidem.

See URL: https://www.luxinnovation.lu/innovate-in-luxembourg/start-up-services/


xxxviii Ibidem.


xl Article 1 point 8 of the amended Law of 17 May 2017.


xlii Information provided by the Directorate of Small and Medium Sized Enterprises of the Ministry of the Economy on 31 January 2019.

xliii Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019.

xliv Information provided by Luxinnovation on 20 May 2019.

xlv Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019.

xlvi Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019.


xlviii See URL: https://guichet.public.lu/en/entreprises/creation-developpement.html


li Minimum capital is EUR 30.000,00. Minimum paid capital: 25%.


lii This form of limited liability partnership was introduced by law of 23 July 2016. Minimum capital is EUR 1.


liii See URL: https://guichet.public.lu/en/entreprises/creation-developpement.html

liii Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019.

lxiv 'Service de la reconnaissance des diplômes'. See URL: 


lxvi a) If it is a physical person the professional operating under his own name;

b) if the business is run by a legal person, it has to be the legal representative (business manager of director) of the company or authorised agent in a limited liability company (Sàrl) or a technical director in a public limited company and the majority shareholder and any other person who has significant influence in the management of the business.

lxvii If the individual has resided in Luxembourg for the last 10 years he must attach the following documents to the application for the business permit:

1) an affidavit (sworn declaration) concerning any management positions held in businesses during the 3 years prior to the application, including:


lxix Certain liberal professions require the homologation of diplomas.

lix Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019.


lxi The recognition is not automatic. If the diplomas are issued by a signatory country to the Paris or Lisbon Conventions on the mutual recognition of diplomas they are in principle recognised if they attest a schooling period of at least 12 consecutive years of successful studies and provide access to higher education institution in the country of origin. In the case of countries which are not signatory of the Paris or the Lisbon conventions, the diplomas are only recognised in Luxembourg if they fulfil the conditions mentioned above and if the applicant: a) holds a diploma of at least a 3 years study cycle issued by a recognised higher education establishment located in the EU; or b) has a formal registration for higher education studies in an EU Member State and the graduation exam covered the following study subjects: at least two languages (one of which has to be French and German), social sciences, natural sciences; mathematics, technology and fine arts and music; c) if the diploma is issued by a higher education establishment recognised by a third country which attests a 3 years study cycle, and if the applicant proves a level B2 certificate for Luxembourgish or French or German, or proves a 3 years studies cycle of one of these 3 languages during his/her school years or provides a certificate attesting that either Luxembourgish, French or German language were one of the subjects passed at the secondary school graduation exam; or d) holds an International Baccalaureate diploma which is recognised in Luxembourg.


lxiii Certain liberal professions require the homologation of diplomas.
a. the management positions held in a Luxembourg company, and/or;

b. shares held in a Luxembourg company, and/or;

c. the fact of having had significant influence over a business.

2) an extract from the criminal record.

Applicants previously involved in bankruptcies or compulsory liquidations without damage to their professional integrity may apply for a new permit provided they take accelerated training in business management with the competent professional chamber. See URL: https://guichet.public.lu/en/entreprises/creation-developpement/autorisation-établissement/autorisation-honorabilite/autorisation-honorabilite.html

lxviii Certificate of good conduct.

lxix Including the Luxembourg criminal record if applicable.

lxx See URL: https://guichet.public.lu/en/myguichet.html

lxxi See URL: https://www.luxtrust.lu/?setLocale=EN


lxxiii The House of Entrepreneurship is a point of single contact which provides support to businesses and project owners who are confronted with questions on any aspect of business life. It provides support to business creators who want to implement their project: a) compiling the project file, b) following up the business permit application and c) assisting with various administrative procedures.


lxxiv See URL: https://www.cdm.lu/contact/annuaire

lxxv Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019.

lxxvi See URL: https://guichet.public.lu/fr/entreprises/creation-developpement/autorisation-établissement/autorisation-honorabilite/autorisation-établissement.html


lxxviii Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019.


lxxx See URL: https://guichet.public.lu/en/entreprises/creation-developpement/constitution/societe-luxembourgeoise/blocage-capital.html. Opening a bank account in Luxembourg is subject to the 'Know your customer' (KYC) procedures and the bank is legally required to verify the applicants’ identity in order to combat money laundering. For this purpose, the banker is required to verify, in addition to the identity documents, the reasons for the desired business relationship and the authority of the person claiming to act in the name of the legal person.


Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019.


These fees are established in accordance with article 6 of the Grand-ducal regulation of 9 October 1984 (threshold 1 for partnerships and threshold 2 for companies). The minimum fee for threshold 1 is of EUR 74.37 and for threshold 2 is of EUR 123.95. From EUR 24,789.35 onwards, a digressive percentage will be increased depending on the amount with a minimum of EUR 3,718.40. See URL: http://www.notariat.lu/le-notaire/honoraires.

See Rollé, Adrien, 10 Steps to set up your startup in Luxembourg, 23 October 2016. See URL: https://www.siliconluxembourg.lu/10-steps-to-set-up-your-startup-in-luxembourg/

The main focus of the public debate is centred on pensions, salaries of public servants, taxes, mobility, etc.

Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019.

In accordance with the statistics on the labour market in the 3rd quarter of 2018, the labour market was composed of 421,941 workers from which 192,766 are cross-border workers (45,7%) and 229,175 (54,3%) are Luxembourgish residents. However, from the residence population only 112,331 (49%) are Luxembourgish nationals. This means that the 73,4% of the labour workforce are non-Luxembourg nationals. See URL: https://statistiques.public.lu/stat/TableViewer/tableView.aspx?ReportId=12916&IF_Language=eng&MainTheme=2&FldrName=3&RFPath=92.

These statistics provide data regarding the entire labour market, including the public sector. If one would only take into account the private sector, the share of non-nationals is even more important.


The evolution of the state budgets in favour of the RDI, both for the public sector only for the private sector, has grown steadily from EUR 23.6 million in 2000 (0.13% of GDP) to 345.5 million in 2017 (0.67% of GDP).


See also: Labro, Thierry. "Pour une Grande région des start-up", in: Luxemburger Wort, 8 January 2019, p. 8.

URL: https://www.flsu.org/statuts

URL: https://www.siliconluxembourg.lu/launch-of-the-luxembourg-federation-of-startups/

Ibidem.

See also: Schock, Pol, „Risiko Selbstständigkeit“, in: Tageblatt, 12 April 2019, p. 8.


Ibidem.

Ibidem. Quote by the Director of the Luxembourg Chamber of Commerce.

Ibidem.

Parliamentary question n°465 of 7 March 2019 on business creation.

Information provided by Luxinnovation on 20 May 2019.

See for example URL: https://www.tradeandinvest.lu/business-sector/start-up/


Information provided by the mayor of the municipality of Dudelange on 4 June 2019.
See also for example: https://www.vdl.lu/fr/travailler/simplanter-en-ville/soutien-et-assistance-pour-entreprises. See also URL: https://administration.esch.lu/developpement-economique/. See also URL: https://www.dudelange.lu/fr/Documents/S'installer%20%C3%A9tablir%20Dudelange%202017.pdf

Ville de Luxembourg, Déclaration échevinale 2017-2023, p. 13. See URL: https://www.vdl.lu/sites/default/files/media/document/D%C3%A9claration%20%C3%A9chevinale%202017-2023.pdf


See also URL: https://www.dudelange.lu/fr/projets-urbains/innovation-hub-dudelange

When it was founded its name was Société Européenne des Satellites. Since 2006 it changed its name to SES.

Manufacturing of satellite and instrument structures, system integration of micro-satellites and the electric propulsion for satellites.

Teleport services, satellite broadband services, risk management services, AIS services.
Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019.


ccii Composition of the Luxembourgish labour market: 45% cross-border workers from the Greater Region (France, Belgium and Germany), 27% Luxembourgish nationals, 24% EU citizens and 4% third-country nationals.


cci Information provided by the Directorate of Immigration of the Ministry of Foreign and European Affairs on 20 May 2019.

cciv Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019.

ccv Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019.


ccvii Article 42 (1) of the amended Law of 29 August 2008.


ccix Information provided by the Directorate of Immigration of the Ministry of Foreign and European Affairs on 20 May 2019.

ccxi Information provided by the Directorate of Immigration of the Ministry of Foreign and European Affairs on 20 May 2019.
A business permit is required for any person that wishes to engage in the following professional activities as a self-employed person or as a company: a) commercial activity (trade, HORECA (hotel, restaurant and catering sector), transports, industry, etc.); b) craft activity (food, fashion, construction, mechanical engineering, audiovisual, entertainment, art, etc.); or c) certain liberal professions which are mainly intellectual in nature. See URL: https://guichet.public.lu/en/entreprises/creation-developpement/autorisation-etablissement/autorisation-honorabilite/autorisation-etablissement.html

LU EMN NCP answer to LU & COM Ad-hoc query on investor schemes (golden passports), launched on 14 February 2019.

LU EMN NCP answer to LU & COM Ad-hoc query on investor schemes (golden passports), launched on 14 February 2019.

LU EMN NCP answer to LU & COM Ad-hoc query on investor schemes (golden passports), launched on 14 February 2019 and article 53ter (1) of the amended Law of 29 August 2008.

Law of 2 September 2011 regulating access to professions of craftsmen, businessmen and industrials as well as certain liberal professions.

Information provided by the Directorate of Immigration of the Ministry of Foreign and European Affairs on 20 May 2019.


Article 51 (3) in accordance with 151 (1) of the amended Law of 29 August 2008.

Article 52 (1) of the amended Law of 29 August 2008.

Article 52 (2) of the amended Law of 29 August 2008 with the exception of article 51 (1) 3 of the amended Law of 29 August 2008.

Information provided by the Directorate of Immigration of the Ministry of Foreign and European Affairs on 20 May 2019.

Article 53quater (1) of the amended Law of 29 August 2008.

Article 53quater (3) of the amended Law of 29 August 2008.


Article 42 (1) points 1 to 4 of the amended Law of 29 August 2008.


Article 42 (1) 4 in accordance with article 38 1) a) of the amended Law of 29 August 2008.

See also URL: https://guichet.public.lu/en/citoyens/immigration/plus-3-mois/ressortissant-tiers/salarie/salarie-pays-tiers.html.

Article L. 622-4 (4) paragraph 2 of the Labour Code in accordance with article 42 (1) 4 and (2) of the amended Law of 29 August 2008.

See also URL: https://guichet.public.lu/en/citoyens/immigration/plus-3-mois/ressortissant-tiers/salarie/salarie-pays-tiers.html.

Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019.

Article 42 (1) points 1 to 4 of the amended Law of 29 August 2008.


Article 42 (2) of the amended Law of 29 August 2008.


Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019.

Information provided by the Directorate of Immigration of the Ministry of Foreign and European Affairs on 20 May 2019.

Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019.

Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019.

Information provided by the Directorate of Immigration of the Ministry of Foreign and European Affairs on 20 May 2019.

Article 51 (1) of the amended Law of 29 August 2008.

Article 51 (1) of the amended Law of 29 August 2008.

In India, Vihaan must apply for his D-Visa through VFS-Global, which is the company that manages the visa applications for Luxembourg. See URL: https://www.vfsglobal.com/Luxembourg/India/visa_application_process.html.

See also article 39 (1) of the amended Law of 29 August 2008.


Article 40 (2) of the amended Law of 29 August 2008.

Article 41 (1) and (3) of the amended Law of 29 August 2008.

Article 40 (2) of the amended Law of 29 August 2008.


Article 57 (3) of the amended Law of 29 August 2008.

Article 57 (3) paragraph 3 of the amended Law of 29 August 2008.

Article 101 (1) 1 of the amended Law of 29 August 2008.


This type of company aims to be a tool for the immediate access to an economic activity for first-time entrepreneurs. It eliminates the usual administrative constraints regarding the creation of a SàRL. The minimum capital has been reduced to 1 Euro and the company can be formed under a private deed without the need of a notary. See URL: https://guichet.public.lu/en/entreprises/creation-developpement/forme-juridique/societe-capitaux/sarl-s.html

Luxembourg Trade and Investment Board (‘Conseil de Commerce extérieur et des investissements’). The LTIB is presided by the HRH, Prince Guillaume, Hereditary Grand Duke and it is composed of representatives of the Ministry of the Economy, Chamber of Commerce, FEDIL (Luxembourg Business Federation), Ministry of Foreign and European Affairs, Ministry of State, Media and Communication Unit, Ministry of Finance, Ministry of Higher Education and Research and Chamber of Trade and Crafts. The Ministry of the Economy holds the Executive Secretariat. Under the LTIB is the Trade and Investment Steering Board (‘Comité de pilotage du Commerce extérieur et des investissements’) composed by the Ministry of the Economy, the Ministry of Foreign and European Affairs, the Ministry of State, the Luxembourg Chamber of Commerce and Luxinnovation. See URL: http://luxembourg.public.lu/fr/actualites/2016/06/01-LFB/01-structure-organes.pdf


URL: https://www.uni.lu/studies/inciperator

URL: https://www.uni.lu/studies/fdef/master_in_entrepreneurship_and_innovation

URL: https://www.uni.lu/studies/fdef/master_in_entrepreneurship_and_innovation/presentation

Law of 1 August 2018 amending the amended Law of 29 August 2008 on free movement of persons and immigration.


Article 67-4 (3) and (4) of the amended Law of 29 August 2008.


Information provided by the mayor of the municipality of Dudelange on 4 June 2019.

Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019.

Article 52 (2) of the amended Law of 29 August 2008, with the exception of the conditions established in article 51 (1) 3 of the amended Law of 29 August 2008.

Article 52 (2) of the amended Law of 29 August 2008.

Article 80 (1) of the amended Law of 29 August 2008.

Article 53quater (1) and (3) of the amended Law of 29 August 2008. However, during the first year the Minister in charge of Immigration will require an evaluation to see if the TCN has fulfilled the conditions. If s/he has not done so, the Ministry will grant a delay that will not be longer than 12 months in order that the TCN fulfils the conditions (article 53quater (2)).

Article 51 (1) 1 of the amended Law of 29 August 2008.

The third-country national will not be able to have two different residence permits (salaried worker and independent worker). So during the time s/he is working in the start-up, s/he is not authorised to work for another employer. If the Directorate of Immigration finds out that the holder of a self-employed worker residence permit is working for another employer at the same time his/her residence permit can be withdrawn. See article 42 (1), 51 (1) and 101 (1) 1 of the amended Law of 29 August 2008. In any case, this situation is very remote because the TCN has to provide the employer with a copy of the residence permit in order that the TCN can be hired. See article L. 572-3 (1) 1 of the Labour Code.

Article 69 (1) 1 of the amended Law of 29 August 2008.


Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019.

See URL: http://technoport.lu/online/www/content/coworking/183/ENG/index.html

See URL: https://www.lhoft.com/en/our-services

See URL: https://nyuko.lu/

See URL: http://www.wishbox.lu/online/www/homepage/ENG/index.html

See URL: https://theoffice.lu/coworking/
See URL: https://silversquare.lu/

See URL: https://www.1535.lu/

See URL: https://breedewee.lu/

See URL: http://technoport.lu/online/www/content/incubator/31/ENG/index.html

See URL: https://www.lhoft.com/en/about-us

See URL: https://www.host.lu/

See URL: http://indu.tech/

See URL: https://www.luxfuturelab.lu/incubator

See URL: https://www.dudelange.lu/fr/projets-urbains/innovation-hub-dudelange

See URL: http://technoport.lu/online/www/content/incubator/31/ENG/index.html

See URL: https://www.host.lu/

See URL: http://neobuild.lu/

See URL: https://www.houseofbiohealth.lu/

See URL: https://6zero1.org/

See URL: https://wwwfr.uni.lu/formations/incubator

See URL: https://fi.co/s/luxembourg

See URL: https://nyuko.lu/en/acceleration/


See URL: http://www.tomorrowstreet.co/


See URL: https://123go-networking.de/

See http://impuls.lu/

Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019.

Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship on 13 February 2019.


See URL: https://www.cc.lu/en/home/

See URL: https://www.houseofentrepreneurship.lu/


URL: https://websummit.com/

Information provided by Luxinnovation on 20 May 2019.

Unknown, "Dossier House of Startups, Vers un nouveau cadre fiscal", in Le Quotidien, 4 June 2019, p.2.

See also: Labro, Thierry. "Pour une Grande région des start-up", in: Luxemburger Wort, 8 January 2019, p. 8.


Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship, 13 February 2019.

Information provided by the Luxembourg Chamber of Commerce and the House of Entrepreneurship, 13 February 2019.

Article 52 (2) of the amended Law of 29 August 2008.

Article 53quater (3) of the amended Law of 29 August 2008.

With the exception of the one established for self-employed workers in article 51 (1) 3 of the amended Law of 29 August 2008 that states that the exercise of the activity serves the economic interest of Luxembourg.

Article 52 (2) of the amended Law of 29 August 2008.

These checks can also be made by the Minister in charge of immigration according to article 133 (1) of the amended Law of 29 August 2008.

Information provided by the Directorate of Immigration of the Ministry of Foreign and European Affairs on 20 May 2019.


Article 69 (1) of the amended Law of 29 August 2008.

Article 133 (1) of the amended Law of 29 August 2008.

Information provided by the Directorate of Immigration of the Ministry of Foreign and European Affairs on 20 May 2019.

Information provided by the Directorate of Immigration of the Ministry of Foreign and European Affairs on 20 May 2019.

Information provided by Luxinnovation on 20 May 2019.

Information provided by the Directorate of Immigration of the Ministry of Foreign and European Affairs on 20 May 2019.
Information provided by the Directorate of Immigration of the Ministry of Foreign and European Affairs on 20 May 2019.

Information provided by Luxinnovation on 20 May 2019.