Frequently asked questions Start-up

21 May 2019

As of 2015, a regulation makes it possible for ambitious entrepreneurs to apply for a temporary residence permit for the Netherlands. Below is an overview of frequently asked questions relating to the start-up permit, the application process and the requirements for applying.

APPLYING FOR THE START-UP PERMIT

What are the requirements of the start-up permit?

To come into consideration for a start-up permit, an entrepreneur must fulfil the following requirements:

- they must work with a trusted and experienced mentor (facilitator) that is based in the Netherlands:
- they must have a product or service that is innovative;
- they must have a step-by-step plan for developing their idea into a business;
- both the start-up entrepreneur and the facilitator must be registered in the Trade Register of the Chamber of Commerce (Kamer van Koophandel);
- the start-up entrepreneur must have sufficient financial resources to reside and live in the Netherlands for one year.

Where can I find the application form?

The <u>application form</u> can be downloaded directly from the IND's website. Candidates may also choose to approach the Expatcenters for help - they can assist start-ups with the completion of their applications forms.

Where can I submit my application and do I need a Regular Provisional Residence Permit (mvv) to enter the Netherlands?

Are you already in the Netherlands with a short stay visa to start an innovative business? Or do you have the nationality of a country for which there is no visa requirement? In that case a mvv is not needed when you meet all other conditions. You or an authorised representative can submit the application for a residence permit directly to the IND. Start-up entrepreneurs residing abroad can still submit their application for an mvv and a residence permit to the Dutch embassy or consulate in their country of residence.

Foreign nationals who already have a valid residence permit for the Netherlands but who wish to transfer this to a residence permit for start-up entrepreneurs can also use the application form on the IND's website.

Can I apply for a start-up permit if I currently have highly skilled migrant status in the Netherlands?

Yes, provided all other conditions are met.

How long does it take to process an application?

If the application is complete and includes all relevant documents, applicants will be notified of the official decision within 90 days, however, start-up applications will be given top priority at the IND in order to ideally process them sooner (the current estimation is 7 weeks).

Which parties are involved in considering the application?

The involved parties are the IND (the Immigration and Naturalisation Service), which makes the ultimate decision about granting the start-up permit; the RVO (Netherlands Enterprise Agency),

which advises the IND on the quality of the business proposal and the question whether a facilitator is qualified and trusted, the Expatcenters and, in some cases, Dutch Embassies abroad. The latter depends whether the candidate applies for an MVV or visa to enter the Netherlands. He can apply for this at the Dutch embassy of their country of residence. In all other cases, the application has to be submitted at the IND.

What's the process of considering the application?

Once the complete application for the start-up permit has been filed, the IND informs the Expatcenter and consults the RVO. The RVO considers firstly if the facilitator is trusted and qualified to act as a business mentor to the candidate and secondly if the product or service the candidate wants to build their business on is innovative. The IND then considers the application on the basis of this advice.

Which standards does the step-by-step business plan have to meet? Are there any templates available?

The step-by-step business plan has to include the following:

- a) the candidate's role in the start-up,
- b) the idea for the start-up's product or service,
- c) what it is that makes this product or service innovative and
- d) the steps the starting entrepreneur plans to take within the first year to transform the idea into a business. The plan should be as detailed as possible. Unfortunately, there is no standard template available.

Can the facilitator submit the application in the Netherlands on behalf of the candidate? That depends on whether the candidate applies for an mvv (see above for more information). If the candidate doesn't apply for an MVV, the facilitator can begin the application procedure in the Netherlands if he or she has been authorised to do so by the candidate. If the candidate does apply for an mvv he or she has to apply for this in person at the embassy.

Can the application be submitted by an independent authorised person or an authorised service provider that is not connected to the start-up?

Again, this depends on whether the candidate applies for an mvv to come to the Netherlands. If an mvv is applied for, it is not possible for another person to submit the start-up permit application. If no mvv is applied for, the candidate can authorise another person to submit the start-up permit application.

Does it matter which legal form of company the start-up will take?

No. However, the company must be registered in the Trade Register of the Dutch Chamber of Commerce.

How can I register a company from abroad?

Unfortunately, you can't register a company from abroad. The registration needs to be arranged in person at the Chamber of Commerce or at a notary office. Click here for more information about registering a company.

If an application is denied, can the decision be appealed? Yes, there is a right of appeal against every decision of the IND.

We already have a company registered in the Trade Register of the Dutch Chamber of Commerce, but our start-up deals only with one of the products that we have been working on with that company. Do we need to register a new company for our start-up? If the product or service with which you want to apply for the start-up permit is part of the existing company's core business, there is no need to register a new company.

Our start-up company participated in an accelerator programme last year. Currently the company consists of two people, and we would like to apply for a start-up permit for a

third person at the same company. Is this possible?

Yes, that's possible. A non-EU or non-EEA citizen can apply for a residence permit on grounds of the start-up rule, even if the company in question has participated in an accelerator programme in the past. However, this third person must fulfil all requirements for the start-up permit, including having an agreement with a trustworthy and qualified facilitator.

FACILITATORS

Start-ups must work together with a facilitator. Who can act as a facilitator?

A facilitator is essentially a business mentor. The facilitator must have a minimum of two years of experience in guiding innovative start-ups and must agree to support the specific needs of the start-up, for instance by offering help with operational management, marketing, research and/or investment acquisition.

The facilitator must be trusted and financially sound (the RVO advises the IND on the question whether a facilitator is qualified and trusted) and may not be related to the start-up entrepreneur. Companies can act as facilitators, too, as long as they are registered in the Trade Register of the Dutch Chamber of Commerce have been declared to be trusted and qualified.

Accelerator programmes and organisations such as Rockstart, Startup Bootcamp and Impact Hub, as well as educational institutions, investors or 'business angels' can all assume the role of facilitator.

What does the agreement with the facilitator need to look like?

The agreement must clearly state

- a) the nature of the mentoring,
- b) the conditions under which the mentoring is offered, and
- c) what the facilitator's potential interest in the company is.

How can a company wishing to act as facilitator check in advance whether it meets the requirements?

There is no procedure for a company to find out whether the IND sees it as trusted and qualified. Instead, that procedure is part of the candidate's application process, so it is not possible to check this in advance. The checklist can help with reviewing if an application is complete.

Does the facilitator have any legal obligations to the candidate? Is he or she responsible for any of the candidate's business, professional or personal conduct while the candidate is in the Netherlands?

Yes, the facilitator has certain obligations as stated in the signed agreement between the facilitator and the candidate. However, the facilitator does not take the legal position of sponsor or referent as defined by Dutch legislation and regulations regarding aliens and immigration. This means that the facilitator has no obligations to the candidate on grounds of the Dutch legislation regarding aliens (such as the Dutch Aliens Act 2000).

FINANCIAL REQUIREMENTS AND BANK ACCOUNTS

Regarding the candidate's resources, the application refers to a minimum amount for each month of the candidate's planned stay. Does this mean that this amount has to be on the candidate's bank account each month for twelve months?

No. The entire amount – i.e. 12 times the monthly amount if the candidate plans to stay for one year – needs to be on the bank account at the beginning of that period; the candidate has to prove he or she has sufficient resources at his or her disposal for the planned duration of his or her stay, i.e. the duration of the start-up permit.

Is a non-Dutch bank account in the name of the candidate sufficient for the application? No, it has to be a Dutch bank account. The candidate must be able to indicate that he or she has

sufficient resources to reside and live in the Netherlands. If the facilitator does not provide these resources as per the agreement between candidate and facilitator, the candidate must be able to

prove this in another way.

Can I open a Dutch bank account without having a residence permit? If not, how do I fulfil the requirement of having a Dutch bank account?

You can't open a Dutch bank account without a residence permit, as a BSN number is required for opening an account and you can only get a BSN number if you have a residence permit.

There are three possibilities for financing the stay in the Netherlands if the candidate cannot open a Dutch bank account:

- an authorised person can open a postbus rekening a bank account connected to a PO box in the name of the candidate;
- you can make use of a third-party account from a Dutch notary; or
- the necessary financial resources can be transferred through the facilitator, if there is an agreement between the candidate and the facilitator stating that the facilitator will guarantee the necessary funds for the applicant.

Do we need to provide a personal bank account or can we provide a reference from our business bank account?

You can provide either a personal or a business account. Note that in both cases it is important that the account was opened in the Netherlands and that the candidate is authorised to withdraw money from the account. In other words, the candidate must have a Dutch bank account that he or she is authorised to withdraw money from.

Can I use a bank guarantee from my country of residence to prove that I have sufficient financial resources?

No, a bank guarantee from a non-Dutch bank is not accepted. The funds have to be transferred to a Dutch bank account.

GENERAL

For how long is the start-up permit valid? What possibilities are there for extension?

The start-up residence permit will be issued for a period of one year. After one year, the start-up entrepreneur may have his residence permit extended on the basis of the Dutch government's self-employment scheme under the condition that the start-up entrepreneur meets the standard requirements applicable to the self-employment scheme.

When can I apply for a residence permit based on the self-employment scheme?

You must meet the standard requirements to apply on the basis of the self-employment scheme. In addition, you must be in possession of a statement form the facilitator, indicating that in at least 3 months you have fulfilled your tasks during the guidance in a positive way. This makes it likely that you have developed sufficient experience and has a sufficiently viable company. The declaration of the facilitator is equal to at least the minimum score for personal experience, business plan and added value for the Dutch economy (mentioned in the scoring system).

Where can I find more information about founding a start-up in The Netherlands?

The IND's website provides plenty of information about the regulations concerning the start-up permit. You can also reach the IND by phone at +31 (0)88 043 04 30.

The Dutch Chamber of Commerce provides information about the start-up permit and about entrepreneurship and start-ups in the Netherlands in general on the website https://www.startupdelta.org/ and https://business.gov.nl/.

The RVO's website (https://english.rvo.nl/) has information on whether you qualify for the start-up permit and application checklists for both the candidate and the facilitator.

Lastly, the Expatcenters offer a lot of information and services regarding official matters, visa and work permits, and information about living and working in the Netherlands.