



# Entrepreneurship, innovation, work, and living in Spain for non-EU citizens

Monographic

February 2024

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# 1. Introduction.

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In a world characterized by **mobility and global competition**, both **attracting talent with highly specialized knowledge** and **attracting investment** are essential for the development of countries.

Spain has **two specific laws to attract talent and international investment** to the country:

- **The “Law 14/2013, of September 27, to support entrepreneurs and their internationalization.”**
- **The “Law 28/2022, of December 21, to promote the ecosystem of emerging companies”.**

This legislation has created **a faster and more streamlined** pathway for the necessary immigration procedures for entry and residency in Spain for specific groups: investors, entrepreneurs, researchers, highly skilled professionals, intra-corporate transfers, and telecommuting or digital nomad individuals.

**Both regulations have paved the way for the arrival of international talent and investment**, finding significant advantages and a conducive **environment in Spain** for launching their innovation projects, investments, or advancing their professional careers.

Both laws represent **a milestone in the evolution of the business ecosystem in Spain** from the perspective of **attracting international talent and investment**.

In this monograph, you will be able to learn about:

- the different ways of entering Spain,
- the conditions enabling non-EU citizens to settle in our country,
- the advantages for those who choose to invest, start a business, or pursue their career in Spain,
- and the impact of both laws.

If you are from a country that does not belong to the EU, the European Economic Area (Iceland, Liechtenstein and Norway) or Switzerland.

If you belong to any of these groups and want to come to Spain to start a business, invest, work, or telecommute, you should know how the Entrepreneur Support Law and the Startup Law can help you:

- Investors
- Entrepreneurs
- Highly qualified professionals
- Research staff
- Working people who carry out intra-company movements
- International teleworkers



## 2. Background

In 2013, Spain approved “Law 14/2013, of September 27, on support for entrepreneurs and their internationalization”, hereinafter, the law on **support for entrepreneurs**, establishing a favorable regulatory framework to facilitate entry and residence in Spain of non-EU foreigners and thus promoting innovation and economic growth in the country.

To understand the framework of this law, it is essential to understand the economic-social context of Spain in 2013. On the one hand, the country was facing high unemployment rates, especially among young people, as a result of the 2008 economic crisis. Specifically, in 2013, the youth unemployment rate reached 56%. Therefore, it was imperative for the country to promote the creation of new companies in order to generate employment and stimulate economic growth. Although 94,826 new companies were established in Spain that same year, it was necessary to implement additional measures to further boost the entrepreneurial spirit.

On the other hand, in 2013 **foreign direct investment in Spain reached approximately 21.7 billion euros**, a figure that required additional stimulus to attract more foreign investment and increase the flow of capital.

Additionally, Spain was trying to attract talent and specialized knowledge to promote research, innovation and competitiveness. Despite having prestigious universities, the country was facing a talent drain at the time, with numerous highly qualified professionals emigrating to other countries in search of more promising opportunities. Likewise, the urgency was identified to increase the percentage of spending on Research and Development (R&D), which in 2013 represented only 1.30% of the Gross Domestic Product (GDP).

In this context, **the entrepreneur support law** addressed all these challenges through different measures aimed **at improving the Spanish economy, reducing unemployment, attracting investment and promoting innovation and research.**

- 01.** One of the most notable aspects of this law was **the creation of a specific visa for foreign entrepreneurs.** This visa makes it easier for **non-EU** citizens with viable business projects to establish residence in Spain and establish their commercial operations here. In the same way, it also **provides for specific visas and residence permits for highly qualified professionals, research personnel** and intra-corporate transfer personnel who contribute to economic and research development in Spain. These measures aim to reinforce the attractiveness of Spain as a destination for talent and innovation.
- 02.** This law also **establishes a framework of tax incentives to attract foreign investment,** enhancing the attraction of capital to Spanish companies and thus promoting growth and job creation.
- 03.** Lastly, **the law focused on simplifying administrative procedures.** This included reducing bureaucracy in order to **speed up decision-making processes.** The streamlining of administrative procedures benefits both applicants and authorities, progressively creating a **more efficient and friendly environment for those who wish to establish their businesses, professional careers or investments in Spain.**

This highlights Spain's commitment to international openness and cooperation at an international level, betting on the **ability to attract talent, investment and experience as a fundamental basis for the country's growth and competitiveness** in an increasingly interconnected world.

Subsequently, in 2022, in line with the law to support entrepreneurs, “Law 28/2022, of December 21, to promote the ecosystem of emerging companies”, known as the **startup law**, is approved, with the objective of establish a specific regulatory framework to support the creation and growth of emerging companies.

The startup law modifies the beneficiaries of Law 14/2013, creating a **new category of visa and residence authorization for international teleworkers** (“digital nomads”) that was not initially provided for in the entrepreneur support law, thus facilitating **immigration of economic interest for Spain**. The objective of this law is to address the new needs posed by today's economy, increasingly globalized and interdependent, and with a growing weight of technology-based companies and remote work with digital media.

In this context, attracting talent and investment through the creation of environments conducive to the installation of entrepreneurial people and professionals who work remotely is becoming increasingly relevant. The development and expansion of innovative companies based on digital knowledge and fast growth, commonly called startups, is promoted, as well as the attraction of investors specialized in their creation and development.

Both the **entrepreneur support law** and the **startup law** represent a **milestone in the evolution of the business environment in Spain**, offering a series of significant advantages to the broad typology of actors that can benefit from both regulations.



### 3. Measures for Entrepreneurial People

One of the most prominent aspects of the Entrepreneur Support Law is the provision of a **specific visa for non-EU entrepreneurial individuals with innovative business projects and/or of special economic interest to Spain**. This measure is designed to encourage them to establish their residence and business activities in our country, contributing to economic growth and the development of innovation.

#### What does the visa for entrepreneurs entail?

Among its features we can highlight:

- **Specific requirements.** To qualify for this visa, applicants must present a solid business plan that details their business project. This plan must demonstrate its viability and potential to generate employment and contribute to the economic growth of the country. Furthermore, the entrepreneurial activity must be innovative or have an economic interest for Spain, for which a favorable report must be obtained from ENISA. Applicants must also demonstrate that they have sufficient financial resources to remain in Spain during the period of their visa.
- **Agility in the process.** One of the most notable aspects of this visa is the agility in the application process. In this sense, the mandatory report on the innovative nature and/or economic interest for Spain of the business activity must be evaluated by ENISA within ten business days.

- **Support in the establishment process in Spain.** The law also provides support through adaptation and orientation programs to help entrepreneurs establish themselves in the country. This includes advice in areas such as location selection, finding financing and understanding tax obligations.

## What advantages does the granting of this visa provide?



**Ease of access to the European market.** Spain, as a member of the European Union, makes it easier for entrepreneurs to access the European market. This increases growth and expansion opportunities for companies established in the country.



**Tax incentives.** The regulations also offer tax benefits for emerging and growing businesses, easing the tax burden during the first years of operation. Within this framework, the startup law includes a series of additional incentives, such as: a tax rate of 15% on Corporate Tax for a period of four years, payment deferrals to the tax authorities, exemption of up to 50,000 euros per year in the delivery of shares or participations for the staff of emerging companies; and reduction of guarantee requirements for those startups seeking to access government subsidies.



**Collaboration with the business ecosystem.** Entrepreneurs can benefit from collaborating with Spain's strong business ecosystem, which includes incubators, accelerators and entrepreneurship support programs in all regions of the country.



**Financing opportunities.** The startup law encourages the generation of financing opportunities, including venture capital investment and public financing for innovative projects.



**Family reunification.** The residence visa for entrepreneurs also includes their immediate family members, which facilitates family reunification. The possibility of moving with the family, either from the initial moment or at some later time, constitutes a decisive factor in carrying out the change of residence.



**Stability.** The visa will have a duration of one year and once this period has elapsed, the entrepreneur may apply for a residence authorization valid for three years with the possibility of renewing it, once the period has expired, for two more years, as long as he or she continues to comply with all requirements. the requirements you met for the initial application. Additionally, you will be able to obtain permanent residence after 5 years.

## 4. Measures for international investors

The laws mentioned above have become an important instrument to encourage foreign investment in the country, providing a **clear and attractive legal framework for investors from all over the world**.

Precisely, one of the fundamental pillars of the entrepreneur support law is the creation of **visa and residence authorization models for foreign investors**. These visas are granted to those people who make significant investments in Spain, which in turn stimulates economic growth and job creation.

In this sense, the visa for investors is a tool designed to encourage foreign investment and attract investors specialized in the creation and growth of startups, commonly known as "business angels".

### What does the visa for international investors entail?

Among its features we can highlight:

- **Specific requirements.** Minimum investment thresholds are established designed to attract high-net-worth investors who wish to participate in the Spanish financial market and which vary depending on the type of investment. In this way, the minimum threshold for Obtaining these visas or permits is set at:
  - 500 thousand euros for investments in real estate.
  - 2 million euros in Spanish public debt securities.
  - 1 million euros in shares or equity interests in Spanish capital companies with real business activity.

- 1 million euros in investment funds, closed-end investment funds or venture capital funds established in Spain.
- 1 million euros in bank deposits in Spanish financial institutions.
- **Agility in the process.** Bureaucratic requirements are reduced for non-resident investors, as they will no longer be required to obtain the NIE (Foreign Identification Number) and will be able to acquire a NIF (Tax Identification Number) through electronic means.

The NIF request will be submitted to the State Tax Administration Agency (AEAT) who must respond within 10 business days after submitting the documentation. In the event that the investment in an emerging company is not accredited within 6 months, the AEAT may revoke the assigned NIF.

In the case of foreign entities, if the new entity is created through the Information Center and Business Creation Network (CIRCE), through a Single Electronic Document (DUE), obtaining the NIF for the foreign investing entity is allowed through this same system.

- **Support in the establishment process in Spain.** The possibility of obtaining long-term residence for foreign investors has been introduced. To do this, investors must gather the following requirements:
  - Have your investments free of charges and encumbrances.
  - Not being irregularly in Spain.
  - Proof of sufficient financial resources to remain in Spain during the period of your visa, as well as to cover your general expenses.

- Have no criminal record in Spain or in the previous countries of residence during the last two years, for crimes provided for in the Spanish legal system. Additionally, a declaration stating that there is no criminal record for the last five years will be submitted.
- Have public or private health insurance that provides coverage in Spain.

## What advantages does the granting of this visa provide?



**Security.** The transparency and clarity of the minimum investment thresholds provide investors with the security necessary to make long-term investments in the country.



**Tax incentives.** Tax advantages are offered to attract foreign investment with the following specific measures:

- The deduction in the personal income tax rate for investment in new or recently created companies (not necessarily emerging companies certified by ENISA in accordance with the startup law ) is improved, going from 30% to 50%, and the maximum investment that allows access to The deduction is increased from 60,000 to 100,000 euros.
- The investment may be carried out in new or recently created companies during the first 5 years of the life of the company (until now it was 3 years) or 7 years in the case of companies in the biotechnology, energy, industrial or other sectors, as the state of technology advances.



**Family reunification.** The residence visa for investors also includes their immediate family members, which makes family reunification possible. The option to move with the family, either from the beginning or at a later stage, is a decisive factor in making the transfer of residence.



**Stability.** The visa has a duration of one year (except for the acquisition of real estate through a deposit contract, which is six months). Once the term has expired, the investor may request a residence authorization for a period of three years with the possibility of renewing it, once the deadline has passed, for two more years, as long as you continue to meet all the requirements you met for the initial application. Additionally, you will be able to obtain permanent residence after 5 years.

## 5. Measures for professionals and research staff

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Another of the visas established by the law to support entrepreneurs is the **residence visa for highly qualified professionals, research personnel and intra-corporate transfer personnel**. This visa has acquired a fundamental role in attracting this profile of highly qualified and specialized professionals.

### What does the visa for professionals and research staff consist of?

Among its features, we can highlight:

- **Specific requirements.** To be eligible for this visa, highly qualified professionals, research and scientific personnel must meet the following requirements:
  - Not be a citizen of a State of the European Union, the European Economic Area or Switzerland, or a family member of citizens of these countries to whom the Union citizen regime applies.
  - Not being irregularly in Spanish territory.
  - Have no criminal record in Spain or in their previous countries of residence for crimes existing in Spanish law.
  - Not being prohibited from entering Spain and not appearing as rejectable in the territorial space of countries with which Spain has signed an agreement in this regard.

- That the national employment situation allows for hiring. This is if:
  - The occupation that the worker will perform in the company is included in the catalog of occupations that are difficult to cover that the State Public Employment Service publishes quarterly.
  - The competent Immigration Office considers that the job position could not be filled in accordance with the certificate issued by the Public Employment Service regarding the management of the job offer.
  - The authorization is aimed at nationals of States with which Spain has signed international agreements (Chile and Peru).
  - It is a case included in article 40 of Organic Law 4/2000, which lists the specific cases of exemption from the national employment situation.
- A contract signed by the employer and worker is presented that guarantees the worker continued activity during the period of validity of the authorization to reside and work. The date must be conditional on the effective date of the residence and work authorization.
- The conditions established in the employment contract comply with those established by current regulations, and the gross annual salary must be at least 1.5 times the average gross annual salary of the profession to be performed. However, the salary may be 1.2 times the gross annual salary in those professions in which there is a particular need and belong to groups 1 and 2 of the International Standard Classification of Occupations (ISCO).

- The applicant employer is registered in the corresponding regime of the Social Security system and is up to date with compliance with its tax and Social Security obligations.
- Has the training and, where appropriate, the professional qualification legally required to practice the profession.
- **Agility in the process.** The accreditation of compliance with these requirements will be carried out only once, for the subsequent registration of the company in the Unit of Large Companies and Strategic Collectives (hereinafter, the UGE), which will be valid for three renewable years if the requirements are maintained. Any modification of the conditions must be communicated to the UGE within thirty days, and failure to do so will result in the loss of said registration.
- The processing will be carried out by the Large Companies and Strategic Groups Unit, and its granting will correspond to the General Directorate of Migration, which may request the necessary reports to rule on the maintenance of the conditions that generated the right.
- **Support in the establishment process in Spain.** Once in Spain, holders of this visa can work in their fields of specialization, whether in research institutions, universities, technology companies or innovation centers. In this way, international collaboration and the transfer of knowledge are promoted, which benefits both Spain and foreign professionals.

## What advantages does the granting of this visa provide?



**Possibility of obtaining permanent residence.** The entrepreneur support law also introduces the possibility of requesting long-term residence for highly qualified professionals, research and scientific personnel. This allows these professionals to establish themselves in Spain continuously and enjoy the benefits of long-term residency.

In this sense, the residence authorization for these profiles will be three years or equal to the duration of the contract. Once the term has expired, you will be able to request renewal for 2 years, being able to obtain permanent residence after 5 years.



**Family reunification.** This visa, like those previously mentioned, also contemplates the inclusion of immediate family members, thus making family reunification possible. The option to move together with the family, either from the beginning or at a later stage, constitutes a fundamental element when deciding on a change of residence.



**Stability.** The visa will have a duration of one year (unless the work period is shorter, in which case the visa will have the same duration). After that period, the professionals or research staff may request a residence authorization for a period of one year. of three years with the possibility of renewing it, once said period has expired, for two more years, provided that it continues to meet all the requirements that it met for the initial application. In addition, you will be able to obtain permanent residence after 5 years.

## 6. Measures for “digital nomads”

The startup law adds a new visa category to those already contemplated in the entrepreneur support law. This is the category of international **teleworkers (“digital nomads”)**. This new category is planned for nationals of other countries who travel to Spain with the aim of carrying out a work or professional activity remotely for companies located outside the national territory, through the exclusive use of computer, telematic and telecommunications means and systems.

### What does the visa for digital nomads consist of?

The visa for digital nomads is a tool designed to attract international talent. Among its features we can highlight:

- **Specific requirements.** To be eligible for this visa, the teleworker must have completed undergraduate or postgraduate studies at prestigious universities, or have a vocational training degree, or a degree issued by a renowned business school, or, have at least three years of professional experience. Additionally, you must prove:
  - The existence of a real and continuous activity for at least one year in the company or group of companies with which the worker maintains an employment or professional relationship.
  - Documentation proving that the employment or professional relationship can be carried out remotely.

- In the case of an employment relationship, the existence of the same between the worker and the company not located in Spain must be proven for at least the last three months prior to the submission of the application, as well as documentation that proves that said company allows its employee to carry out their work activity remotely.
- In the event of the existence of a professional relationship, it must be proven that the worker has a business relationship with one or more companies not located in Spain for at least the last three months, as well as documentation that proves the terms and conditions in those who are going to carry out their professional activity remotely.
- **Support in the establishment process in Spain.** Within a period of sixty calendar days before the expiration of the visa, international teleworkers who are interested in continuing to reside in Spain may request residence authorization for an international remote worker, as long as the conditions that generated them are maintained. the right, before the Unit of Large Companies and Strategic Collectives (UGE).

## What advantages does the granting of this visa provide?



**Tax incentives.** The startup law provides benefits for digital nomads. Remote workers in Spain only pay a flat tax rate of 24% on their work-related income, up to €600,000, and 47% on any amount above this limit, during the tax period in which the change is made. of residence and during the following five tax periods. Likewise, the conditions to access this reduced rate tax (the Non-Resident Income Tax (IRNR)) are lowered, increasing the required period of non-resident tax residence in the country from 10 to 5 years.



**Family reunification.** In line with other visas mentioned previously, this one also includes immediate family members, which allows the family reunification process. The option to move with the family, either from the beginning or at a later time, represents a crucial factor in carrying out the change of residence.



**Stability.** The visa has a duration of one year (unless the work period is shorter, in which case the visa will have the same duration), once the period has expired, the digital nomad may apply for a residence authorization with a validity of three years with the possibility of renewing it, once the term has expired, for two more years, as long as it continues to meet all the requirements that it met for the initial application. Additionally, you will be able to obtain permanent residence after 5 years.

## 7. Simplification of procedures

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The entrepreneur support law has had a significant impact **on simplifying administrative procedures**, accelerating decision-making in the business environment. Through the simplification of bureaucratic procedures, a more favorable environment has been achieved for entrepreneurs and the business community. In this context, the following initiatives have been carried out:

### 1. Entrepreneur Service Points

One of the key measures of the law to support entrepreneurs is the creation of "**Entrepreneur Service Points**" (hereinafter, PAEs). These service points act as comprehensive advice centers for entrepreneurs and business people, providing information on the procedures necessary for the creation and development of companies.

The PAEs are located in different locations in Spain and offer guidance on how to register a company, obtain licenses and comply with legal requirements. This greatly simplifies the process of starting a business, and speeds up decision-making for entrepreneurs.

## 2. Single Electronic Document

In addition, the law has established the "Single Electronic Document" (hereinafter, DUE), which allows entrepreneurs to begin the process of creating a company electronically. The DUE integrates several administrative procedures into a single electronic document, which considerably speeds up the process. Those who wish to start a business can submit their documentation online, reducing the burden of paper procedures and saving time in decision-making.

## 3. One stop shop for filing taxes

The digitalization and simplification of administrative procedures has also extended to the tax field. The law has introduced a single window system for filing taxes, making it easier for businesses to meet their tax obligations. Reducing the bureaucratic burden in the tax area accelerates business decision-making and allows companies to focus on their growth and development.

Likewise, it has also established a clearer and more predictable legal framework for foreign investment, which has simplified procedures for foreign investors interested in establishing themselves in Spain. This has boosted the arrival of foreign capital to the country and has streamlined investment decision-making.

## 4. Simplification of administrative procedures

Similarly, the startup law also addresses the simplification of administrative procedures. Regarding foreign investment, as stated in the previous section on measures for international investors, bureaucratic requirements are reduced for investors who are not going to reside in Spain.

Secondly, two alternative electronic routes are offered so that foreign investors, without residence in Spain, can obtain the tax identification number that the law requires to carry out acts with tax significance, without having to go to an administrative office to request it. or collect it, thus aligning itself with the most economically developed countries.

Likewise, the equivalence of documents issued in other countries is favored. On many occasions, foreign investors act through a representative. This representative will hold a power of representation that may be recorded in a notarial document or in a mandate contract with representation which expressly states the acceptance of tax representation. If the notarial document has been issued in another country by a foreign notary, it will not be required to adapt its content to the Spanish legal system, meaning "notary" in this law only means career notaries, not consuls or those in charge. of consular affairs that exercise public faith abroad.

## 8. Impact of the entrepreneur support law and the startup law

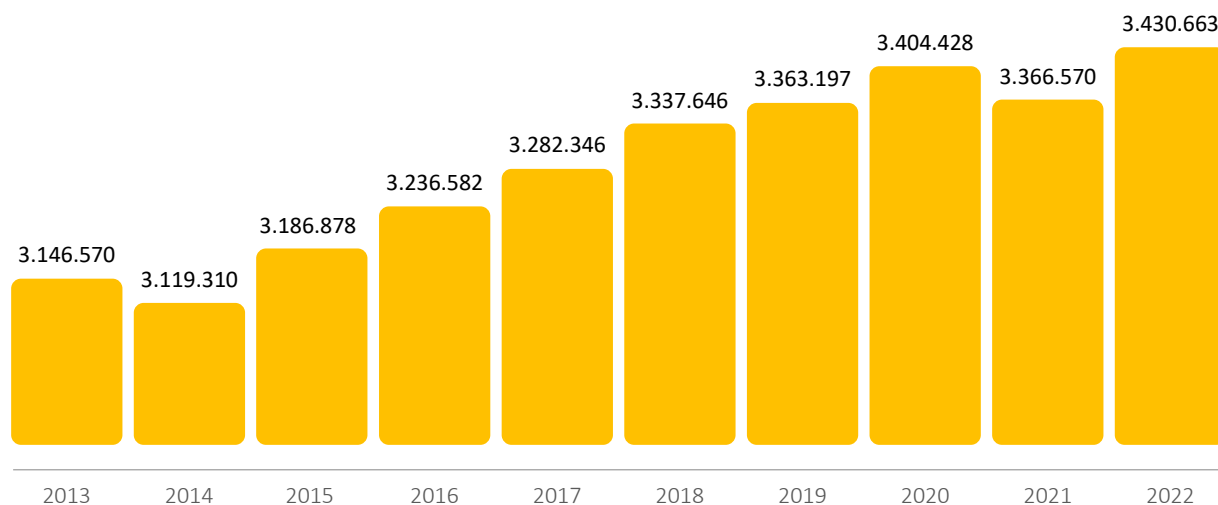
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The laws analyzed in this document have been designed with the aim of promoting economic activity, simplifying administrative procedures, and stimulating investment. The Entrepreneur Support Law, with several years of implementation, has achieved positive results in various areas. Similarly, the Startup Law, despite its recent approval, has already begun to bear fruit in terms of supporting the entrepreneurship ecosystem. Below, the impact achieved by both laws in Spain is described.

The entrepreneur support law has encouraged the creation of companies in a more accessible and agile way, thanks to the introduction of measures such as the "Entrepreneur Service Point" (PAE) and the "Single Electronic Document" (DUE). Entrepreneurs currently find a more favorable environment to start and develop their businesses, especially with the simplification of administrative procedures, which has contributed to an increase in the number of startups and small businesses in the country. In this sense, in the following graph we see how after the approval of the Entrepreneur Support Law, the number of active companies in Spain increased again, exceeding the figures reached before the crisis.

Specifically, in 2022 there were a total of 3,430,663 active companies, this being the highest value recorded in the last 15 years.

In part, the outstanding growth of the entrepreneurial ecosystem can be attributed to the implementation of the provisions established in Law 14/2013.



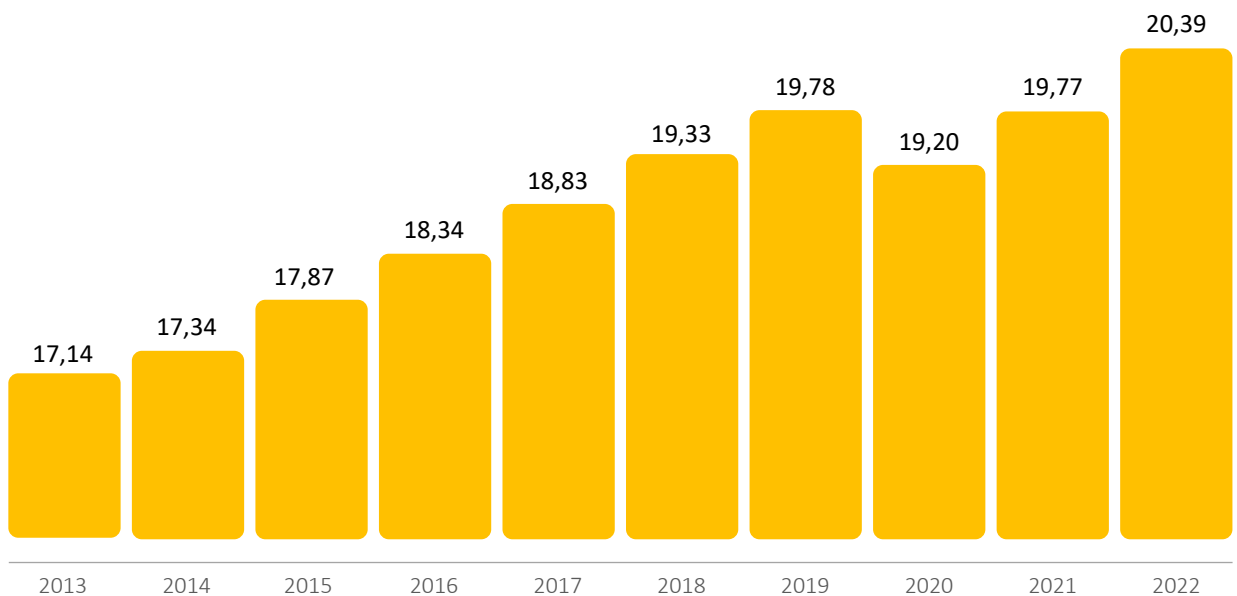
Source: Statista. Data from the Ministry of Inclusion, Social Security and Migration, and the Ministry of Industry, Trade, and Tourism as of January 1st of each year. Own elaboration.

On the other hand, this law is also complemented by the measures provided for in Law 18/2022, of September 28, on the creation and growth of companies (also known as the Crea y Crece Law ), aimed at improving regulatory quality and the business climate, favoring efficiency and productivity throughout the entire cycle of business creation, growth and restructuring.

The report “The law on entrepreneurs and business creation: a view from the GEM observatory” includes the results of the consultation carried out with a panel of experts on the different measures included in the law to support entrepreneurs. The rating of the law is 3.3 out of 5, which indicates that the measures of the law are well valued, although there is room for improvement. Among the most positive aspects of this standard, the panel of experts highlights the reduction in the cost of starting a business activity, the streamlining of business creation and processing processes and the elimination of some procedures to make it easier for entrepreneurs and SMEs to be hired by the administration.

In addition, the entrepreneur support law **had a positive impact on job creation**. The simplification of procedures for hiring workers and the flexibility of labor legislation has stimulated hiring in the business sector. The creation of new companies and the growth of existing ones have generated a constant demand for recruiting talent, which has contributed to the generation of employment in the country.

In this context, the following graph illustrates the evolution of employment in Spain from 2013 to 2022. Although various factors influence these data, we cannot ignore that the measures implemented after the approval of the law to support entrepreneurs, to a large extent part, have influenced these results. The graph shows a continuous increase in employment since the establishment of the law, with the exception of the year 2020 marked by the crisis caused by the Covid-19 pandemic. In 2022, the number of people employed in Spain amounted to approximately 20.4 million.

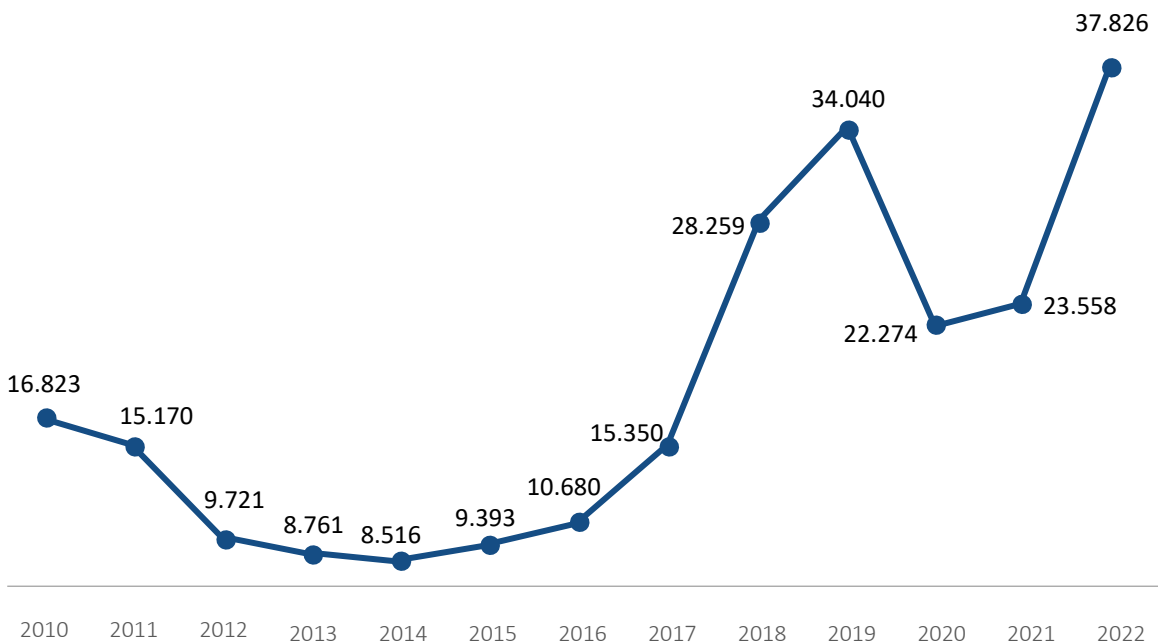


**Source:** Statista. Data from the Ministry of Inclusion, Social Security, and Migration and the Ministry of Industry, Trade, and Tourism as of January 1st of each year. Own elaboration.

In terms of innovation and talent attraction, **Law 14/2013** has encouraged the arrival of foreign investors and entrepreneurs, which has brought new ideas, technologies and approaches to the Spanish business ecosystem.

The report on the Flow of residence authorizations granted to foreigners” of December 2023, shows that 46,158 residence authorizations were granted in 2022 in accordance with the law to support entrepreneurs, 47% corresponding to women. In addition, the report on “Visas issued in consular offices. Year 2022”, states that 37,826 long-term residence and work visas were granted, with an increase of more than 60% compared to 2021.

The following graph illustrates the evolution of residence and work visas issued by consular offices. With the exception of 2020, as a consequence of the Covid-19 crisis, it can be seen how the trend experienced in the issuance of residence and work visas has always been positive since 2013.

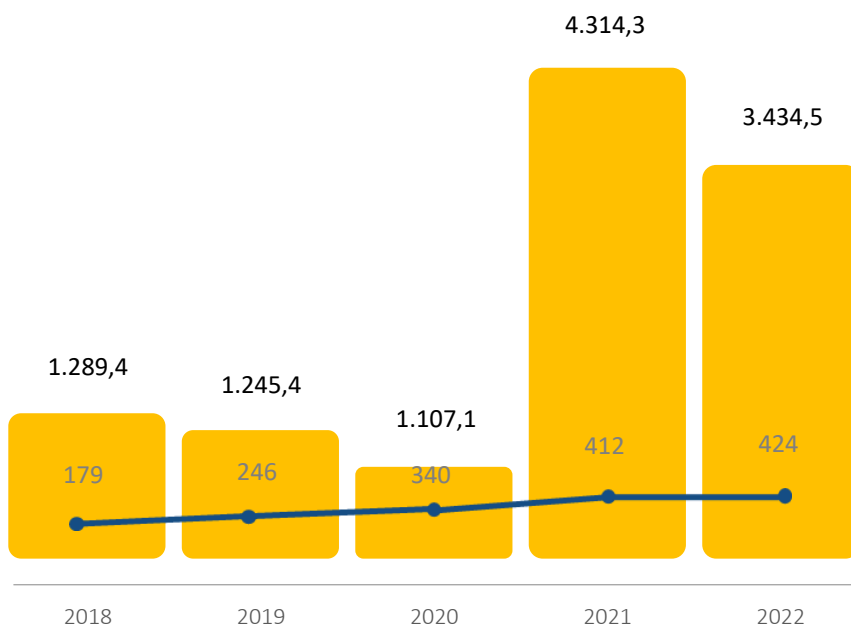


Source: Permanent Immigration Observatory (OPI). Evolution of visas issued by class. Series 2010-2022. Own elaboration.

On the other hand, the notable growth of the technological entrepreneurship ecosystem, attributable in part to the implementation of the startup law, is reflected in the value of the Spanish technological ecosystem, which amounts to 93 billion euros according to the Spain Ecosystem Report 2023.

This is further supported by data from the Bankinter Foundation Observatory, which shows that, during 2022, investment in startups remained solid, with the volume of risk capital allocated to these companies being the second highest in the historical series.. In addition, the number of investment operations reached its historical maximum with a total of 424 transactions.

The following graph shows the data of the investment evolution presented above.



Source: Startups in Spain. Startup Observatory. Bankinter Innovation Foundation. Own elaboration.

In this regard, the report on “Investment trends in Spain 2023. Observatory of the Startup Ecosystem in Spain” published in January 2024 by the Bankinter Innovation Foundation, states that the **volume of investment in which only national investors participate** grew by 31 %, among other factors thanks to the fact that since 2021 venture capital funds worth 3,782 million euros have been raised.

Likewise, the startup law has also been complemented by the specific investment programs provided for in the Recovery, Transformation and Resilience Plan of Spain promoted by the Ministry of Digital Transformation, among which the **Next Tech Fund, managed by the Institute of Official Credit for the mobilization of public and private capital for the growth of emerging companies in disruptive technologies**, and the Digital Entrepreneurs program, a line of participatory loans to support female entrepreneurship managed by ENISA.

Furthermore, the simplification of procedures for obtaining visas and residence permits for highly qualified professionals and researchers has **attracted international talent, enriching the research and innovation environment in Spain**. Thus, according to the World Talent Ranking of the International Institute for Management Development (IMD) for 2023, a report that measures the ability to attract, develop and retain talent in 63 economies, Spain is in 32nd position, for the fourth consecutive year.

Among the main strengths of the Spanish economy, the report highlights the presence of female talent, which represents 47.2% of the total value of the country's workforce, as well as its health infrastructure, which it scores with an 8.05 out of 10 in terms of its ability to meet the needs of society. It also values very positively the high quality of Spanish life (with an 8.37 out of 10) and the growth of the workforce, which is well above the average (in 18th position out of 63).

Finally, it has also **facilitated collaboration between companies and research centers**, which has led to significant advances in areas such as technology, biomedicine, energy and artificial intelligence. In this way, technological cooperation between companies and research centers can bring great global benefits in terms of knowledge transfer, opening to new markets, greater ease of external financing of the project and, above all, the distribution of resources, efforts and risks.

In fact, the new financing and support policies for R&D&I are clearly committed to carrying out cooperative R&D&I projects. Likewise, most of the previously existing national aid for the implementation of R&D projects by individual companies has disappeared in favor of cooperative programs, in which cooperation between companies and with organizations is an essential requirement. research and/or technological centers.

Today, there are many success stories that result from this collaboration. For example, the Textile Industry Research Association (AITEX) has numerous projects arising from collaboration between companies and research groups, such as Sepiia, a company that has managed to ensure that its garments are made from recycled and potentially recyclable materials, or Auxicolor, a company that has developed a dispersion system of natural origin for dyeing large garments, thus achieving savings in water, energy and time compared to conventional processes.

Another example is the Carlos III University of Madrid (UC3M), which also has numerous success stories of collaboration between companies and research centers, such as with Cannard Drones, a company specialized in the development of software to carry out navigation aid and airport inspections, or with Sensia, a leading company in the infrared imaging market that, in collaboration with the University, they have created Redlook technology aimed at industrial monitoring.

## 9. Conclusions

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- **Promotion and encouragement of entrepreneurship.** New national and international entrepreneurs initiate and develop new businesses in Spain.
- **Attraction of foreign investment.** Contributing to economic growth and job creation.
- **Promotion of innovation.** Driving significant advancements in various industries.
- **Simplification of administrative procedures.** Through the digitization and automation of processes to boost efficiency.

In conclusion, both the entrepreneur support law and the startup law have had a significant impact on the business landscape in Spain. They have stimulated entrepreneurship, attracted foreign investment, encouraged innovation and simplified administrative procedures. These measures have laid the foundations for a promising future in Spain, aligned with the demands and competitiveness needs of an increasingly innovative and digitalized global market.

The entrepreneurial spirit is on the rise, with a constant flow of new national and international entrepreneurs looking to start and develop businesses in the country. Foreign investment has increased considerably in recent years, contributing to economic growth and job creation. And international collaboration in research and innovation has driven important advances in various industries.

Looking to the future, it is essential to continue delving into measures that support entrepreneurship, investment and the simplification of procedures, as has been done with the approval of the startup law. Likewise, we must continue to attract highly qualified and scientific talent, essential for Spain's competitiveness, as well as continue promoting the digitalization and automation of administrative processes to boost efficiency.

In summary, both laws have paved the way for a more dynamic, competitive and attractive business future in Spain, correctly positioning Spain to face the challenges and take advantage of the opportunities presented by the current economic landscape.



## Do you want to invest, undertake or telework in Spain?

Discover all the necessary procedures in our [“Invest”](#) y [“Entrepreneurship”](#) sections.

You can also contact our [Support service](#) if you have any questions about this.

## 10. References

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