



**News release**

MAC003/15

29 October 2015

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**Migration Advisory Committee outlines recommendations to improve entrepreneur visa routes**

**Embargoed until 11.30am on Thursday 29 October**

The Migration Advisory Committee (MAC) has today (Thursday, 29 October) recommended the Government substantially reforms the visa route for entrepreneurs looking to come to the UK.

In its report, *Tier 1 Entrepreneurs: Review of the Tier 1 Entrepreneur and Graduate Entrepreneur routes*, the Committee says a more selective approach would improve the quality of entrepreneurs and maximise the economic benefit to the country.

In addition, the MAC has recommended that the Government considers introducing a visa route specifically for talented entrepreneurs looking to establish their start-up businesses in the UK.

The Tier 1 (Entrepreneur) visa route is open to non-EEA nationals who wish to invest in one or more businesses in the UK. Applicants must prove they have £200,000 to invest in a UK business, though this can be lowered to £50,000 in certain circumstances.

Under the existing route, the MAC found clear examples of migrants establishing highly innovative, high-growth potential businesses. However, the Committee also found substantial evidence of low quality businesses being established.

According to evidence gathered by the MAC, some migrants are using the entrepreneur route as a low cost alternative to the Tier 1 (Investor) route, which requires an investment of £2 million. This approach involves migrants investing into a business in return for a small equity stake, but with only a limited role in the running of the business.

As part of its recommendations to make the entrepreneur route more selective, the MAC says that industry experts should be responsible for selecting successful applicants. It also recommends that routine monitoring of successful applicants is introduced.

Professor Sir David Metcalf CBE, Chair of the MAC, said:

“There is considerable scope to reform the Tier 1 (Entrepreneur) route. A more selective approach would raise the average quality of entrepreneurs coming to the UK and increase the economic benefits of the route for UK residents.”

“The Tier 1 (Graduate Entrepreneur) route works well and it makes sense to expand this route to allow a small number of UKTI-approved accelerator programmes to endorse high potential entrepreneurs.”

As part of its recommendations, the MAC says:

- The Government should consider introducing a separate visa route for talented entrepreneurs looking to establish start-up businesses in the UK. This low-volume, highly selective route would aim to attract the best entrepreneurial talent, with UK Trade & Investment (UKTI)-approved accelerator programmes allowed to endorse individuals for a limited number of visas.
- Where appropriate partners are identified, the Government may wish to build third party endorsement into the selection process. In particular, the Home Office could work with UKTI and the UK Business Angels Association (UKBAA) to explore the feasibility of approving selected angel investor networks or syndicates to provide third party endorsement under the Tier 1 (Entrepreneur) route.
- The selection of migrant entrepreneurs should be carried out by industry experts where possible. Options for assessing the applications could include: appointing a panel of experts with expertise in early-stage entrepreneurship, such as angel investors or venture capitalists; recruiting specialist immigration officers qualified to review business plans; working with other government departments such as UKTI or BIS; or outsourcing the assessment of business plans to a professional services firm.
- The entrepreneur visa routes should aim to attract entrepreneurs with innovative business proposals.

ENDS

**Notes to editors:**

1. For more information, or to request an interview with Professor Metcalf, contact George Kotschy on 020 7035 3535.
2. A full copy of the report is available here:  
<https://www.gov.uk/government/publications/migration-advisory-committee-mac-review-tier-1-entrepreneur-and-graduate-entrepreneur-routes>
3. The Tier 1 (Entrepreneur) visa route is for non-EEA nationals who wish to invest in the UK through setting up or taking over, and being actively involved in the running of, one or more businesses in the UK. Those who apply under the Tier 1 (Entrepreneur) category must demonstrate that they have access to £200,000 which they will invest in one or more businesses in the UK. Where the funds are provided by a venture capital fund, a UKTI-approved accelerator programme, or a UK government department, the investment threshold is lowered to £50,000. Successful

applicants are allowed to stay in the UK for a maximum of three years and four months.

4. The Tier 1 (Graduate Entrepreneur) provides for UK graduates identified by Higher Education Institutions and overseas graduates identified by UKTI to establish one or more businesses in the UK. In order to endorse a migrant, the endorsing body must be satisfied that the graduate has developed genuine and credible business ideas and has the entrepreneurial skills to establish one or more businesses in the UK. There is a limit of 2,000 new places per year under this category. The graduate entrepreneur visa is granted for one year initially and can be extended for another year if the endorsing body is content to renew their endorsement.
5. Out of the 13,746 individuals granted Tier 1 (Entrepreneur) or Tier 1 (Graduate Entrepreneur) visas since 2008, the MAC identified 1,580 active companies registered on the Inter-Departmental Business Register who employ a total of 9,850 people and generate a combined annual turnover of £1.45 billion.
6. The Migration Advisory Committee (MAC) advises the government on migration issues. It is a non-statutory, non-time-limited, non-departmental public body, sponsored by the Home Office. The MAC is made up of a chair and four other independent economists, who have been appointed under rules relating to public appointments laid down by the Office of the Commissioner for Public Appointments (OCPA). Additionally, the Commission for Employment and Skills and the Home Office are represented on the Committee.