

## IMPROVING START-UP VISA PROCESSES TO DECREASE WAIT TIMES

### Issue

The Start-up Visa program (hereinafter “SUV”) provides permanent residency to up to five co-founders of a company and their families to launch an innovative business in Canada. While originally mandated to be a streamlined process, Immigration, Refugees, and Citizenship Canada’s (hereinafter “IRCC”) application processing times have recently increased by 202% (5.3 months to 16 months), making the program less attractive to potential applicants and creating a significant bottleneck. Communication has been poor between IRCC, designated organizations, and applicants creating confusion and hurdles for all involved parties. The scalability of the program is significantly hindered.

### Background

Launched on April 1, 2013, the Start-Up Visa pilot was the first pilot program implemented through Ministerial Instructions. The SUV was designed to attract innovative foreign entrepreneurs who would contribute to the innovation needs of the Canadian economy and facilitate entry of innovative entrepreneurs who would actively pursue business ventures in Canada. To receive permanent residency under the program, applicants must receive support from a designated organization under one of 3 streams: venture capital, angel investment, or business incubation.

On 11 April 2018 the SUV program shifted from a pilot to a permanent program.<sup>1</sup> Leading up to this shift, processing times for applicants had decreased from 2013 to 2015, from an average of 6.7 months to 4.1 months for most applicants.<sup>2</sup> Since then, processing times have steadily increased and are now advertised at 12-16 months for new applicants with many taking even longer, with little to no explanation for the delay. As stated in a review of the pilot program: *“The importance of timely processing for this client group was frequently highlighted by key informants, with the majority stating that the success of a business (especially those in mobile technology) often depends on how fast it can be launched.”*

With the program being made permanent, many designated organizations placed significant time and resources into streamlining their SUV activities expecting reciprocation from IRCC, but that has not been the case. The bottleneck created by IRCC’s drastic increase in processing times has hindered designated organizations’ ability to attract and retain potential high-growth, high-impact immigrant entrepreneurs and their firms.

According to a Statistics Canada report, private incorporated immigrant-owned firms are much more likely than firms with Canadian-born owners to be job creators. Additionally, immigrant-owned firms

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<sup>1</sup> <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/publications-manuals/operational-bulletins-manuals/updates/2018-startup-perm.html>

<sup>2</sup> <https://www.canada.ca/content/dam/ircc/migration/ircc/english/pdf/pub/e5-2015-suv-eng.pdf>

have a higher level of net job creation per firm and are more likely to be high-growth firms than those with Canadian-born owners.<sup>3</sup>

It is clear that immigrant entrepreneurs are a key factor in improving Canada's economic and demographic deficits. The Start-up Visa program attracts these entrepreneurs to the region while also fostering a culture of innovation and inclusion. With the United States cancelling their version of the program, Canada has an opportunity to take a global leadership position in the international start-up field; an opportunity that has thus far been squandered.

### **Recommendations**

That the federal government:

1. Ensure IRCC processing times fall into the original 6-8 month timeline while maintaining program integrity;
2. Provide a mechanism for effective communication on file processing times between designated incubation centres and IRCC to manage client expectations;
3. Provide transparent and detailed reasons for disapproved files within 30 days upon a client's request or to an IRCC designated organization if approved by the client.
4. Introduce a mechanism that allows minor corrections to SUV applications without restarting the process.

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Co-sponsored By: St. John's Board of Trade

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<sup>3</sup> [https://www.ctvnews.ca/business/immigrant-owned-firms-create-more-jobs-than-those-with-canadian-born-owners-statcan-1.4393134#\\_gus&\\_gucid=&\\_gup=twitter&\\_gsc=0mlQRZP](https://www.ctvnews.ca/business/immigrant-owned-firms-create-more-jobs-than-those-with-canadian-born-owners-statcan-1.4393134#_gus&_gucid=&_gup=twitter&_gsc=0mlQRZP)