

# Evaluation of the Start-Up Visa Program

Evaluation

Audit and Evaluation Branch

Immigration, Refugees and Citizenship Canada

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and Citizenship Canada

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# Executive summary

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## Background

This report presents the findings of Immigration, Refugees and Citizenship Canada's (IRCC) evaluation of the Start-Up Visa (SUV) Program. This evaluation was conducted in fulfillment of the requirements under the Treasury Board Policy on Results and assessed the relevance, performance, and governance of the program between period of May 1, 2016 to December 31, 2021.

The objective of the evaluation was to assess the SUV as an ongoing program and its results, looking at key areas such as the extent to which Start-Up Visa entrepreneurs are actively pursuing innovative start-up ventures in Canada and the economic benefits of the program to Canada.

## Summary of key findings

The evaluation found that the SUV Program was aligned with Government of Canada priorities, was a necessary part of IRCC's suite of immigration programs, and remains relevant in the face of global economic and migration trends. It was less clear, however, the degree to which the program was fully meeting its objectives.

The evaluation found that there was a lack of clarity across stakeholders about certain roles, responsibilities, and the peer review process, which impacted the overall effectiveness, performance, and governance of the program. The SUV Program detected some problematic applications; however, the control mechanisms used to help resolve these applications were unreliable or not fully developed due to a lack of investigative capacity, tools and resources.

The SUV Program attracted and helped retain foreign entrepreneurs, despite the programs challenges. Clients accessed business start-up services and temporary work permits, and stakeholders tended to have positive views of the SUV Program. While there were results indicating positive economic contributions, specific gaps in more performance data prevented the evaluation from developing a detailed understanding of the SUV program's full economic impact.

## Recommendations

In response to the findings, and in support of the continued improvement of the program, the evaluation proposes the following recommendations are proposed.

- 1. IRCC should, in consultation with partners, reconfirm additional key performance indicators on SUV client business performance and the start-up business industry, and collect associated data.**
- 2. IRCC should develop and implement a strategy to more fully document and strengthen the peer review process in order to ensure its reliability and maximize usefulness.**
- 3. IRCC should develop and implement an approach for overseeing the participation of Designated Entities in the program, including by clarifying roles and responsibilities and the process for de-designations.**
- 4. IRCC should strengthen the program's integrity strategy by enhancing its investigative capacity, including tools and resources.**
- 5. IRCC should take steps to address program wait times and reduce the application backlog.**

# Start-Up Visa Program – Management Response Action Plan (MRAP)

## Recommendations:

**Recommendation 1: IRCC should, in consultation with partners, reconfirm additional key performance indicators on SUV client business performance and the start-up business industry, and collect associated data.**

**Response:** IRCC agrees with this recommendation.

IRCC recognizes that comprehensive program metrics contribute to effective program management and oversight and as such will determine key SUV program performance indicators. In addition, IRCC will work with government and private-sector program partners to leverage additional data sources on program outcomes and client experience.

Actions	Accountability	Completion date
Action 1A: IRCC will update its SUV Program indicators and corresponding data sources for inclusion in the SUV Policy Framework.	Lead: PEIB Support: Audit and Evaluation Branch, Immigration Program Guidance, Strategic Planning, Results and Reporting Branch, Research and Data Branch	Q2 2024–2025
Action 1B: IRCC will undertake several program data-collection exercises. For example, IRCC is seeking new data from Designated Entities (e.g., a survey is planned for Q4 2023/2024) and Industry Associations, and is enhancing its program evidence base with in-house research.	Same as action 1a.	Q3 2024–2025

**Recommendation 2: IRCC should develop and implement a strategy to more fully document and strengthen the peer review process in order to ensure its reliability and maximize usefulness.**

**Response:** IRCC agrees with this recommendation.

IRCC recognizes that a well-functioning peer review mechanism is a useful tool for upholding program integrity. Because IRCC relies on its program partners for this, it will consult with Industry Associations and Designated Entities to identify and implement improvements to the peer review process as part of its review of the SUV Program.

Actions	Accountability	Completion date
Action 1A: IRCC will update its SUV Program indicators and corresponding data sources for inclusion in the SUV Policy Framework.	Lead: PEIB Support: Audit and Evaluation Branch, Immigration Program Guidance, Strategic Planning, Results and Reporting Branch, Research and Data Branch	Q2 2024–2025

**Recommendation 3: IRCC should develop and implement an approach for overseeing the participation of Designated Entities in the program, including by clarifying roles and responsibilities and the process for de-designations.**

**Response:** IRCC agrees with this recommendation.

IRCC will update internal, and as warranted, external, program management guidelines and processes for managing the participation of Designated Entities in the program. In particular, IRCC will clarify roles and responsibilities with respect to investigating possible Designated Entity non-compliance with program criteria, and will clarify the process for de-designation. Also, IRCC will improve its engagement with Designated Entities to, among other things, clarify program expectations.

Actions	Accountability	Completion date
Action 3A: IRCC will develop a Policy Framework for the SUV Program, which will include clearer guidelines and processes for IRCC’s management of Designated Entities’ participation in the program, including by clarifying roles and responsibilities for addressing potential non-compliance and for de-designation.	Lead: PEIB Support: Immigration Program Guidance, Case Management, Integrity Risk Management, Litigation Management, Domestic Network	Q2 2024–2025
Action 3B: IRCC will conduct outreach activities (both direct and in partnership with industry associations), including developing an improved welcome package, and will update information resources.	Same as action 3a.	Q3 2023/2024 and ongoing

**Recommendation 4: IRCC should strengthen the program’s integrity strategy by enhancing its investigative capacity, including tools and resources.**

**Response:** IRCC agrees with this recommendation.

IRCC will develop an internal roadmap for improving program integrity, including for addressing concerns and allegations of potential wrongdoing. IRCC will explore additional medium-term options for strengthening program integrity, including policy and regulatory options as appropriate.

Actions	Accountability	Completion date
Action 4A: IRCC will develop a Policy Framework for the SUV Program, which will include clearer guidelines and processes for managing the participation of Designated Entities in the program, including by clarifying internal processes for upholding program integrity.	Co-leads: PEIB (coordination and strategy); IRM and CMB (activities) Support: Immigration Program Guidance, Litigation Management, Domestic Network	Q2 2024–2025
Action 4B: IRCC will continue to implement the Renewed Risk Management Framework in order to provide Integrity Risk trends and thresholds in support of the program, including developing tools and resources to support processing officers.	Same as action 4a.	Q4 2023-2024 and ongoing
Action 4C: IRCC will examine additional investigative tools and techniques and implement as appropriate.	Same as action 4a.	Q2 2024–2025
Action 4D: IRCC will continue to uphold program integrity by conducting investigations when warranted.	Same as action 4a.	Ongoing, as warranted

**Recommendation 5: IRCC should take steps to address program wait times and reduce the application backlog.**

**Response:** IRCC agrees with this recommendation.

IRCC agrees that timely processing of SUV applications is important and will pursue both short- and longer-term actions for gaining control over the application backlog and mitigating and reducing client wait times.

Actions	Accountability	Completion date
Action 5A: IRCC will identify immediate and longer-term options for aligning client demand with available levels space, including policy and operational measures as appropriate, and for addressing wait times.	Co-leads: PEIB and OPPB Support: Immigration Program Guidance, Centralized Network, Domestic Network	Q4 2023-2024 and ongoing

# List of acronyms

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CEEDD	Canadian Employer-Employee Dynamics Database
CVCA	Canadian Venture Capital & Private Equity Association
DE	Designated Entity
ESDC	Employment and Social Development Canada
GCMS	Global Case Management System
IA	Industry Association
IRCC	Immigration, Refugees and Citizenship Canada
ISED	Innovation, Science and Economic Development Canada
NACO	National Angel Capital Organization
NOC	National Occupation Classification
OGD	Other Government Department
OECD	Organisation for Economic Co-operation and Development
PA	Principal Applicant
PR	Permanent Resident/Residence
SUV	Start-Up Visa

# Overview of the SUV program

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## Overview

Launched on April 1, 2013, the Start-Up Visa (SUV) pilot was implemented through Ministerial Instructions.<sup>1</sup> It was designed to attract innovative foreign entrepreneurs who will contribute to the new and innovative needs of the Canadian economy and to facilitate the entry of entrepreneurs who would actively pursue start-up ventures that can compete on a global scale in Canada. SUV became a permanent program in 2018, with program criteria set out in section 98.01 of the *Immigration and Refugee Protection Regulations*.

The SUV processing<sup>2</sup> is initiated when IRCC receives an application from the client with a “Commitment Certificate” from a designated entity, as well as all the other required immigration documents. The application is then reviewed against the SUV eligibility and admissibility requirement, which will lead to an immigration officer decision on the application.

Up to five principal applicants (PA) can be linked to a start-up venture and corresponding Commitment Certificate. Applications linked to the same start-up venture are processed as a group.

Any number of applicants can be deemed ‘essential’ to the business on the Commitment Certificate; if an applicant who is deemed an “essential” person withdraws their application or their application is refused, all applications linked to the same business proposal must be refused.

Selection criteria for the SUV program are as follows:

- **Commitment:** Before applying to immigrate through the Start-Up Visa Program, immigrant entrepreneurs must secure a commitment from a designated Canadian business incubator, angel investor group or venture capital fund to support their business concept.
- **Investment:** In the case of a venture capital fund, a \$200,000 minimum investment in the entrepreneur’s business is required. For angel investor groups, the minimum investment is \$75,000. There is no minimum investment amount for business incubators, but the entrepreneur(s) must be accepted into the business incubation program.
- **Other:** In addition, applicants must demonstrate language proficiency in either English or French at Canadian Language Benchmark (CLB) / Niveau de compétence linguistique canadien (NCLC) level 5, possess a certain ownership share in their business,<sup>3</sup> and show that they have a sufficient level of funds<sup>4</sup> to sustain themselves while in Canada.

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<sup>1</sup> The authority for the pilot came from section 14.1 of the IRPA, which enables the Minister of IRCC to issue instructions that set out selection criteria for new, short-term programs under the economic immigration class.

<sup>2</sup> Before a foreign entrepreneur (or an entrepreneurial team of up to five individuals) applies under the SUV Program, they must contact and receive support from a DE. If a DE decides to support their business, it will provide them with a letter of support and Commitment Certificate.

<sup>3</sup> Each applicant must hold at least 10 percent of the voting rights in the business; moreover, the designated entity and the applicants must jointly hold more than 50 percent of the voting rights in the business.

<sup>4</sup> Applicants must show that they have enough to support themselves and their dependants after they arrive in Canada. The required amount is equivalent to one half of the low-income cut-off amount set by Statistics Canada and is adjusted annually: as of 2016, it varies from \$12,164 for a single person to \$32,191 for a family of seven or more.

## Industry Associations (IA)

Two industry associations (IA) help deliver the SUV program:

1. Canadian Venture Capital and Private Equity Association (CVCA): which is a registered Canadian private corporation since 1974 and a registered federal lobbyist since 2003. CVCA's mission statement, as of May 5, 2023, was "to help our members fuel the economy of the future by growing the businesses of today."
2. National Angel Capital Organization (NACO): a registered Canadian private corporation since 2002. NACO's mission statement, as of May 5, 2023, was "in partnership with the Government of Canada, NACO engages in research to inform evidence-based policy development, administers the incubator and angel investor streams of Canada's SUV program, and advances initiatives that promote inclusive economic prosperity in Canada."

### Their roles and responsibilities include to:

- recommend prospective business incubators, venture capitalist funds, and angel investors to be enrolled as a Designation Entities (DE) to the Minister;
- convene peer review panels<sup>5</sup> that review a DE's due diligence activities which assists the immigration officer's decision;
- recommend when to revoke the designation of a DE;
- liaise, support, and provide best practices to DEs and IRCC about the SUV program.

## Designated Entities (DE)

There were a total of 71 DEs, as of December 2022, participating in the SUV program, including:

- 24 venture capital funds (i.e. private equity investors that provide capital in exchange for equity);
- 9 angel investor groups (i.e. high-net-worth individuals who provide capital in exchange for equity);
- 38 business Incubators (i.e. an organization that provides early-stage start-up mentorship, investment, and other supports to help businesses establish).

They are represented by their respective industry associations: CVCA or NACO. Overall, their role is to:

- assess and assist potential start-ups to come to Canada, which includes vetting the business and its innovativeness;
- provide IRCC with a Commitment Certificate for the viable and innovative business, which indicates that the DE completed not only their due diligence, but also committed capital or enrolled the start-up business, and;
- support the development of the start-up upon the client's admission to Canada, which may include investment, mentorship, or other services.

## Other Government Departments (OGD)

OGDs had a limited and indirect role in the SUV program. Innovation, Science and Economic Development Canada (ISED) had links to business incubator and venture capital programs that support the start-up business ecosystem. Global Affairs Canada (GAC) and trade commissioners were noted to support the promotion of SUV abroad. Neither are directly involved in the administration of the SUV program.

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<sup>5</sup> A peer review may be initiated by IRCC officers either if they are of the opinion that such an assessment would assist them in making a case determination or on a random basis for quality assurance purposes.

# Evaluation background and context

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This report presents the results of the Evaluation of the SUV Program. The evaluation was conducted by IRCC's Evaluation and Performance Measurement Division between June 2022 and June 2023, with the intent to provide timely evidence and results to support policy development and program delivery.

## Evaluation scope

The evaluation covered the period of May 2016 to December 2022.

The design of and approach to the evaluation were determined in consultation with IRCC branches involved in the design, management and delivery of this program. The terms of reference were approved by IRCC's Performance Measurement and Evaluation Committee in June 2022.

## Evaluation focus

The evaluation primarily focused on program performance with respect to the program's expected outcomes below that were reviewed and updated by the evaluation team and members of the SUV Program.

## SUV program outcomes

**Immediate Program:** High value applications are submitted to the SUV and timely selection, processing and admission of foreign entrepreneurs.

**Intermediate:** SUV entrepreneurs are actively pursuing innovative business ventures in Canada.

**Ultimate:** SUV Program supports economic benefits to Canada.

The evaluation also explored SUV application processes, the profile of SUV entrepreneurs, as well as the contribution of program stakeholders, to report on the impact of the program.

As a secondary area of focus, SUV governance, policy and procedures, as well as roles, responsibilities and partnerships

between program stakeholders were examined. The evaluation identified benefits, challenges and opportunities related to program activities, structure and the immediate outcomes.

Finally, relevance and alignment of SUV with Government of Canada priorities were also a focus of the evaluation, assessing the continued program relevance as well as perspectives on the competitiveness and attractiveness of Canada's SUV Program, to better understand the program.

## Evaluation questions

### Relevance

1. How does the SUV program address on-going needs or gaps within the economic immigration portfolio?
2. To what extent is the SUV Program aligned with Government of Canada priorities?
3. How competitive is the SUV program compared to other countries' equivalent programs?

### Implementation

4. To what extent are the roles and responsibilities of the IAs and DEs clear and working as intended?
5. Has the entrepreneur selection been fair, transparent, and clear to all involved in the program?
6. To what extent do the integrity measures of the program meet program needs? Are there opportunities for improvement?

### Performance

7. How is the SUV program, including OGDs, IAs and DEs, contributing towards attracting, retaining, and integrating entrepreneurs within Canada?
8. To what extent are SUV entrepreneurs actively pursuing innovative business ventures in Canada?
9. What economic benefits to Canada have been supported thus far as a result of the SUV Program?.

# Methodology

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This evaluation employed a mixed-method approach to collect data from four main lines of evidence, which were triangulated, guiding the conclusions and the evaluation recommendations.

## Document review

Included selected key documents from the original pilot in 2013 until the completion of the final evaluation report, but was not limited to: legislative and regulatory documents, IRCC documentation (i.e., policies, guidance, operational statistics, performance measurement, research), and stakeholder reports (i.e., ISED).

## Key informant interviews

Interviews were conducted with 31 key informants between July to Sept 2022, included representatives from IRCC (24), the Industry Associations (IA) (2), Employment and Social Development Canada (ESDC), and Innovation, Science and Economic Development (ISED) (3) and other stakeholders (2). Interviews were conducted by videoconference using Microsoft Teams.

## Administrative data review

The administrative data review was conducted during Winter 2023. The datasets analyzed for this evaluation included:

- Global Case Management System (GCMS) to develop an applicant profile and processing information. Data sets were based on applications received and admitted applicants between April 1, 2013 to Dec 31, 2021. There is a small dataset on the SUV program, therefore we included data from 2013 to 2021 to support the analysis of this program.

- Canadian Employer-Employee Dynamics Database (CEEDD), a tax filer database from Statistics Canada, which includes business and personal income statistics. This data was released in December 2022 and covered the period from May 1, 2016 to December 31, 2019.

## SUV client survey

This survey captured the SUV applicants perspectives on their immigration experience, the progress on their business start-up, and their successes and challenges with the program.

Surveys were sent to entrepreneurs that met the following criteria: immigrated under the SUV program, arrived in Canada between 2016 to 2022, were over 18 years old, and had a valid email address on file. This survey was open for three weeks and two reminder emails were sent to increase the response rate. This survey was sent to 429 individuals, with 81 respondents (response rate of 18%).

## Designated Entities (DE) survey

This survey captured the DEs' perspectives on the operationalization of SUV, the long-term impacts of SUV clients and businesses, and the DE's successes and challenges with SUV.

The evaluation included an online survey of DEs who are in good standing in the SUV program and who had a valid email on file. This survey was open for four weeks between and two reminder emails were sent. This survey was sent to 73 individuals, with 22 respondents (response rate of 30%).

# Limitations and considerations

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Overall, the evaluation design employed complementary quantitative and qualitative data collection methods to provide a deeper understanding of SUV results and reduce information gaps. While the methodology had a number of strengths, some limitations were identified.

## Representativeness of surveys

This evaluation compared the survey results against internal databases to identify where there could be potential over- or under-representation of the respondents profile.

### Client survey

The Evaluation team compared the Client Survey results against the GCMS data to confirm its representativeness and found some over- and under-representations that were controlled for. The survey did not control for companies that ceased to exist, the start-up's business stage relative to the respondent's admission year, and the launch date of the start-up.

### DE survey

Survey respondents were aligned with the population of DEs under the SUV Program (percentage comparisons within 5%) in terms of DE types. Some questions had low response rates and

results could not always be generalized to the entire DE population.

## Data considerations

### Commitment certificate

The evaluation was unable to provide a complete analysis of certain elements due to administrative data challenges. For example, administrative data related to SUV businesses is not consistently captured or linked to principal applicants in GCMS. Furthermore, information contained in commitment certificates was not consistently entered by DE and therefore did not allow for a complete assessment of data elements contained within.

### Peer review report

The evaluation team analyzed a sample of peer reviews as a primary source of information. The evaluation received a sample of peer review documents because these documents were not fully digitized and not formatted in a database. The sample total was eight, which limited this peer review report analysis.

Despite those limitations, the use of multiple lines of evidence ensured that the findings can be used with confidence.

# Profile of principal applicants – Overview

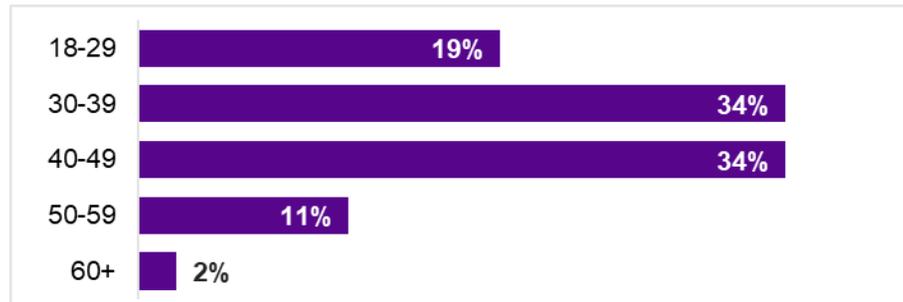
## Overall

Each start-up venture can include up to five Principal Applicants (PA).<sup>6</sup> There were 881 PA that were approved between period of January 1, 2013 to December 31, 2021, of which 631 were admitted to Canada as Permanent Residents (PRs).<sup>7</sup>

## Sociodemographic characteristics

Most SUV principal applicants at the time of their application were between the ages of 30-49, male, married, and had a university degree. The most common countries of citizenship were India, China, Vietnam and Iran.

**Figure 1: Age of SUV principal applicants**



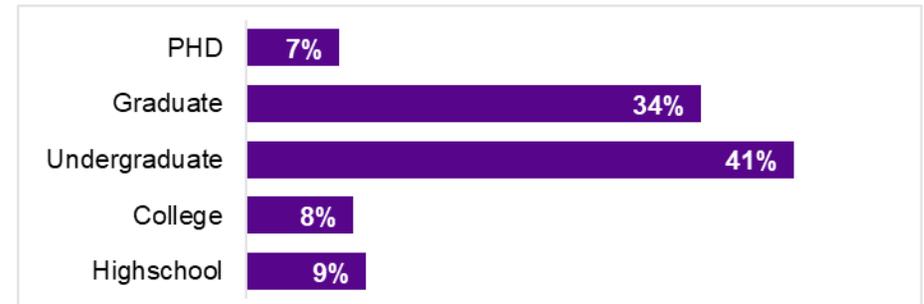
Source: GCMS

**Figure 2: Gender of SUV principal applicants**



Source: GCMS

**Figure 3: Highest educational achievement of SUV principal applicants**



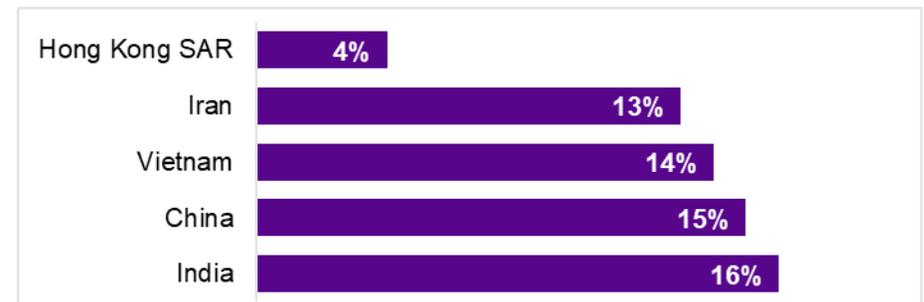
Source: GCMS

**Figure 4: Marital status of SUV principal applicants**



Source: GCMS

**Figure 5: Top 5 Countries of citizenship of SUV principal applicants**



Source: GCMS

<sup>6</sup> PAs are individual entrepreneurs who are linked to the start-up venture.

<sup>7</sup> Source: CDO, September 30, 2022 This data does not distinguish between “essential” and “non-essential” applicants as that data was not available.

# Profile of principle applicants – Employment types

The evaluation used CEEDD data to create a profile based on the tax filings of SUV PAs who arrived between May 2016 and December 2019, had a SIN, and filed taxes at least once. The profile represents the number of tax filings made by the 350 SUV PAs identified in the CEEDD data. Some PA are counted multiple times in this data because they filed taxes in multiple years. The totals for different types of tax filings (T2, T1FD, T4) are not mutually exclusive and add up to more than the total number of tax filings (T1PMF) due to the overlapping employment status.

- Overall, the evaluation found that 700 tax filings (T1PMF) were made by SUV PAs who arrived between May 2016 and December 2019.
  - Of those tax filings, 210 were made by PA pre-admission, meaning that some SUV PA had Canadian work experience or business activity in Canada before admission.
  - The remaining 490 tax filings were made by SUV PAs after admission into Canada.

This CEEDD profile is missing detailed industry dimensions; however, the evaluation was able to collect high level information - the vast majority of SUV clients operated in information, finance and insurance, real estate/rental/leasing, professional, scientific and technical services.

**Table 1: Distribution of tax filings of principal applicants admitted through the Start-Up Visa Program and employment types (May 2016 to December 2019)\***

May 2016 to Dec 2019	Filed tax (T1PMF)	Business owner (T2)	Business owner (unincorporated) (T1FD)	Had jobs (T4)
Pre-admission	210	70	40	100
Post-admission	490	230	150	170
<b>Total</b>	<b>700</b>	<b>300</b>	<b>190</b>	<b>270</b>

Source: Statistics Canada, Canadian Employer-Employee Dynamic Database (CEEDD) 2019 vintage.

\*Numbers are rounded to the nearest 10.

\*The table is based on observation rather than unique persons. For example, a PA can appear multiple times, e.g.: 4 times over 4 years, so they may be counted 4 times instead of once.

\*Data does not allow differentiating whether T2 owners are a subset of the T1PMF tax filers or not.

\*Employment types are not mutually exclusive; a SUV PA can own an incorporated business or unincorporated business and have employment on the side at the same time.

The 700 tax filings made by SUV PAs include T2, T1FD, and T4 filings, representing different employment types:

- Business owners (T2) are owners that had at least 10% share in an incorporated business. Incorporated businesses tend to be more likely to hire an employee, be larger in size, and have a plan with a longer business vision. If an owner owns multiple businesses in the same year, CEEDD selected the highest earning businesses. During the data period, SUV PAs made 300 T2 tax filings.
- Self-employed business owners (T1FD) have unincorporated businesses. During the data period, SUV PAs made 190 T1FD tax filings.
- T4 filings are made for jobs where the PA is not the business owner. 270 SUV PAs made T4 tax filings, meaning that some SUV PAs have employment unrelated to their business.
- See in Annex E the principal applicants admitted through Start-Up Visa program across admission characteristics and employment types.

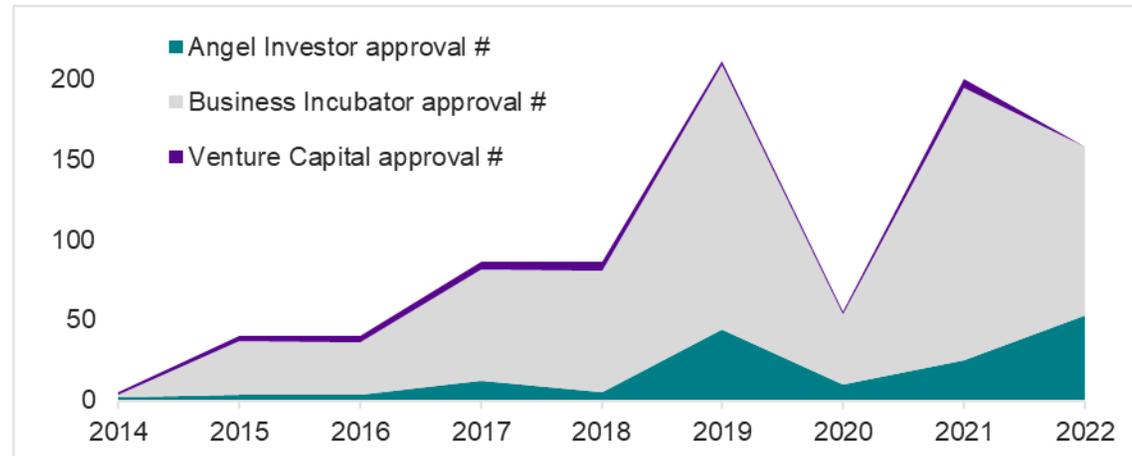
# Profile of designated entities

There are three types of DEs:

- Venture Capital Funds (i.e. private equity investors that provide capital in exchange for equity),
- Angel Investor Groups (i.e. high-net-worth individuals who provide capital in exchange for equity), and
- Business Incubators (i.e. organizations that provide early-stage start-up mentorship, investment, and other supports to help businesses establish).

Business incubators represent about 78% of SUV applications and 79% of successful applicants despite representing 53% of the DE population. This trend has been consistent throughout the duration of the program.

**Figure 6: Applications IRCC has received by type of designated entity**



Source: COGNOS (MBR)

**Table 2: Designated entities**

	Venture capital funds	Angel investor groups	Business incubators
Affiliated IA	CVCA	NACO	NACO
Population # *	24	9	38
Population %	34%	13%	53%
<b>Total # of applicants</b>	<b>61</b>	<b>181</b>	<b>878</b>
<b>Total % of applications</b>	<b>6%</b>	<b>16%</b>	<b>78%</b>
<b>Total # of successful applicants</b>	<b>25</b>	<b>159</b>	<b>697</b>
<b>Total % of successful applicants</b>	<b>3%</b>	<b>18%</b>	<b>79%</b>

Source: COGNOS (MBR)

\*As of November 2023, there are 28 venture capital funds, 8 angel investor groups and 51 business incubators.

# Evaluation findings

## Need for the SUV – Global competitiveness

**Finding 1:** There is an ongoing need for the SUV program in light of current global trends, such as a focus on entrepreneur-led growth and competition for high-potential entrepreneurial migrants.

### Need to Attract High-Growth Firms and High Potential Entrepreneur Migrants

According to document review and key informant interviews, there is an evolving domestic and global economy, with significant economic trends from accelerated technological change, the workforce's need to upskill and reskill, and a demand for digital literacy, digital intelligence, science, technology, engineering and mathematics (STEM) fields. IRCC informants and industry stakeholders expressed that without the SUV program, Canada would be “missing out” on high-potential migrants and “fall behind” global trends, which was also reflected in the document review. This consideration is also cited in an [Organisation for Economic Co-operation and Development \(OECD\) report](#).

Alongside the recent policy focus on fostering the creation and development of innovative businesses, many OECD countries (e.g., USA, UK) have introduced their own SUV-equivalent programs that compete for the same pool of immigrant entrepreneurs as Canada's SUV program. These entrepreneur programs vary in their design and delivery model, highlighted in Annex B.

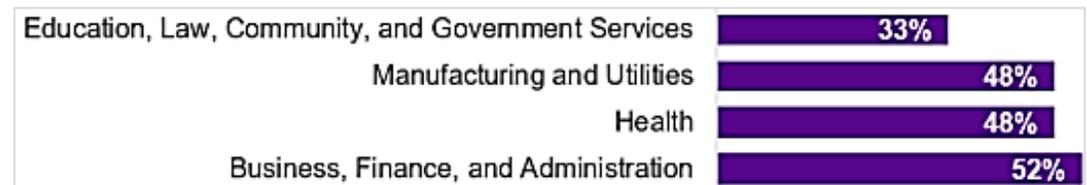
### SUV Program is Addressing Needs

SUV applicants are educated and have the skills needed to operate in the Canadian labour market. In fact, administrative data showed that a little over 80% had a university degree (undergraduate or higher).

According to document review and surveyed DEs, the SUV program has encouraged new start-up venture, innovation, and the creation of employment, and has contributed to growing businesses involved mainly in: software, hardware, networks, web-based services, e commerce, and mobile technology.

According to the DE survey, most start-ups supported were in the technology sector.

**Figure 7: Top technology industry sectors supported by DEs**



Source: SUV DE Survey

Despite the fact there is no NOC code attached to SUV applicants, according to ESDC's Final Assessment of Projected Labour Market Conditions (2019–2028), shortages are projected for top occupations that may benefit from the program.

**Table 3: Top occupations that may benefit from foreign workers and the SUV program (2019–2028)**

<b>Top Occupation</b>	<b>Status</b>
Computer programmers and interactive media developers (2174) (NOC A)	Shortage
Information systems analysts and consultants (2171) (NOC A)	Shortage
Software engineers and designers (2173) (NOC A)	Shortage

*Source: Canadian Occupational Projection System (COPS) 2019 to 2028 projections*

# Alignment

**Finding 2: The SUV program aligns with Government of Canada and IRCC mandates and overall priorities; however, it is unclear if the primary objective of the program is being fully met.**

## SUV aligns with federal and departmental priorities

The SUV program is aligned with two Government of Canada priorities: 1) Stronger diversity and inclusion; and 2) Economic Growth through innovation. In the Prime Minister of Canada’s mandate letter to the Minister of IRCC on December 2021, an emphasis was made on “bring[ing] newcomers to Canada to drive economic growth”, which was reinforced with Budget 2022’s investment into *Economic Growth and Innovation*.

The SUV program contributes to IRCC Core Responsibility #2 - Immigrant and Refugee Selection and Integration by ensuring the active pursuit of innovative start-up ventures and economic benefits from federal economic immigrants, as highlighted in the Federal economic immigration program.

SUV is a smaller immigration program relative to the other IRCC programs and shared levels space with programs within the Federal Business immigration category, specifically the Self-Employed Persons Program. The annual IRCC levels space for Federal Business Immigration ranged from a maximum of [900 in 2016](#) to a maximum of [4,000 in 2023](#).

## SUV primary objectives

While the program has demonstrated strong performance and positive impacts overall, the degree to which it has been fully meeting its more specific objectives as currently defined and measured, is more difficult to conclude.

The evaluation, through several lines of evidence, established that SUV’s activities contributed to its primary objectives; however, a lack of clarity in some of SUV’s processes and performance data made it difficult to determine the full extent of SUV’s contribution, including the extent to which SUV has been able to attract high-calibre entrepreneurs, the economic benefits of SUV, and the true innovativeness of the business start-ups.

Some interviewees reported that certain stakeholders are using SUV to fill niche labour market gaps, rather than to attract high-calibre entrepreneurs and innovative businesses, as the program is designed to do. A lack of an operational definition of “innovation”, which has led to some stakeholders interpreting it loosely and making it difficult for officers to verify. The evaluation also identified gaps in the SUV Program’s performance data, leading most interviewees to rely on a one commonly known SUV case to represent SUV achieving its primary objective and demonstrating its success.

# Competitiveness and attractiveness

**Finding 3: Canada's SUV program is effectively attracting foreign entrepreneurs; however, there have been some delivery challenges affecting its ongoing competitiveness.**

## SUV's competitiveness and attractiveness

Across all lines of evidence, the evaluation found that Canada's SUV program continues to be competitive against other similar programs.

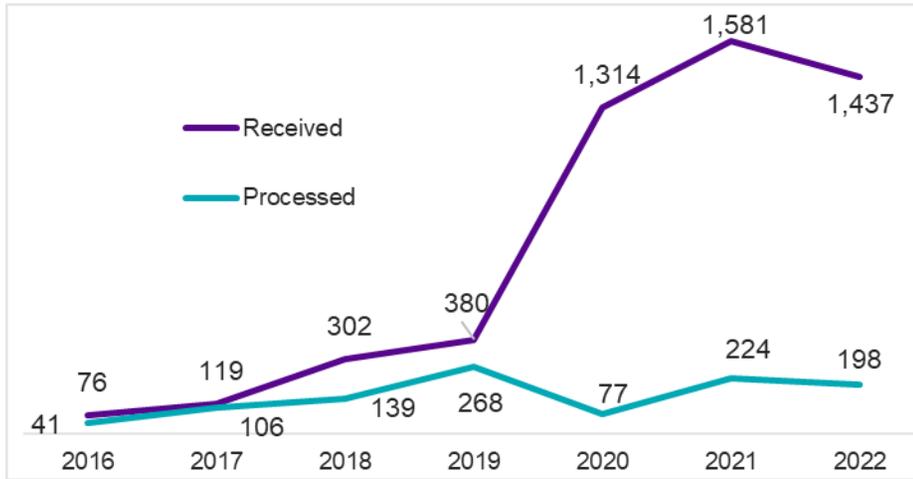
Although the majority (61%) of surveyed clients indicated that they were aware of other countries' SUV-equivalent programs, most of them (86%) indicated that they did not apply to these programs.

Key informants identified several SUV features may have influenced PAs' decision to choose Canada's SUV Program, including the ability to take business risks without affecting immigration status, the access to immediate permanent residence, access to a temporary work permit while the application is being processed, and family immigration. Further, most (86%) of DEs found that the most marketable aspect of the SUV was the opportunity to immigrate to Canada. The main appealing factors that influenced surveyed clients' decisions to stay in Canada were: Canada is a G7 country; Canada has a close relationship with the US; and, Canada has a good business community.

## Delivery challenges affecting SUV competitiveness and attractiveness

Evidence from the administrative data analysis and interviews highlighted the current processing times and backlogs as key challenges negatively affecting the SUV program's competitiveness and attractiveness. Figure 8 illustrates that for the period covered by this evaluation, the number of applications received were generally higher than the ones processed. While this indicates that the program is attractive, it has also created a backlog of applications and increased processing times. Some key informants stated that intake control measures for the SUV Program are lacking, as there is no limit on how many Commitment Certificates a DE can issue at any given time. Key informants stated that the SUV program began receiving an abundance of low-quality applications after 2018, which contributed to the growth in inventory and processing times. The document review noted all applications tied to a start-up venture must be processed as a group. If one entrepreneur's application is not finalized, then it can delay the final decision for all applications linked to the start-up venture. This results in operational processing burdens as there are no policies to enforce that clients in an associated group submit their applications within a certain time period of each other, or as complete group(s) that would minimize the additional management effort for associated applications (to ensure the applications are processed together). This misalignment between policy and operations continues to impede efficient intake processes and file transfers.

**Figure 8: Number of SUV applications received and processed\***

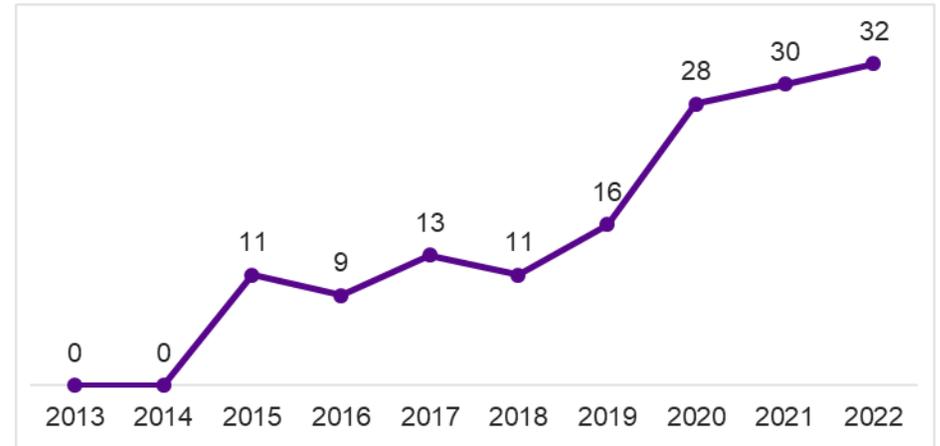


Source: COGNOS (MBR)

\* Application processing data includes applications that have been checked for completeness and entered into the GCMS, and does not reflect the full extent of applications received.

See Annex A for more detail on number of files received and processed by year. According to the IRCC website, as of May 30, 2023 the processing time estimated to process an SUV application was approximately 35 months. Some stakeholders expressed that the start-up economy is fast paced, and that current processing times are too long for a start-up business to wait and remain viable.

**Figure 9: Processing times for PA (months)**



Source: COGNOS (MBR)

# Promotional activities

**Finding 4:** Promotional activities for the SUV program were primarily led by IAs and DEs during the reporting period; however, these activities were intentionally slowed down, as addressing program issues has been the current, primary focus.

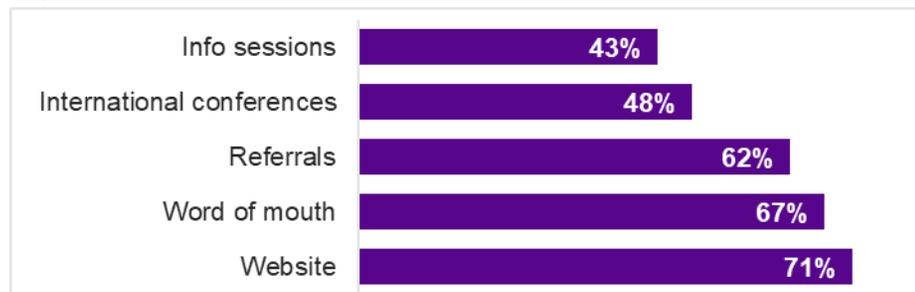
## SUV promotional activities

In spite of not having a formal SUV promotional strategy, numerous promotional activities have taken place, mostly led by IAs and DEs. IRCC and Global Affairs Canada (GAC) have also promoted the program to potential start-up entrepreneurs in international locations and the Collision Conference in Toronto.

Nearly three quarters (71%) of surveyed DEs reported aligning their promotional activities with federal priorities by having equity-promoting initiatives such as: prioritizing the start-up ventures of under-represented individuals, having strong marketing campaigns to promote diversity and inclusion, and providing additional support to women-led businesses.

Surveyed DEs stated that their principal methods of promotion were: websites, word of mouth and referrals.

**Figure 10: DE promotional activities**



Source: SUV DE survey

The majority (61%) of surveyed clients reported that they heard about the SUV program from non- Government of Canada sources such as professional contacts (18%), search engines (18%) and immigration lawyers (10%), while 39% indicated the Government of Canada website.

## Challenges in promotion

The document review noted that more promotional activities took place during the earlier stages of the program, mainly during the SUV pilot phase.

Some issues related to SUV promotion were noted by DEs, including consistency of messaging on the program, lack of promotion in emerging markets, backlogs, and need to address clients concerns with processing times. Given the challenges related to processing times and an abundance of low-quality applications, most interviewees suggested that SUV promotional activities have been slowed down or stopped all together while these issues are being addressed.

# Roles and responsibilities

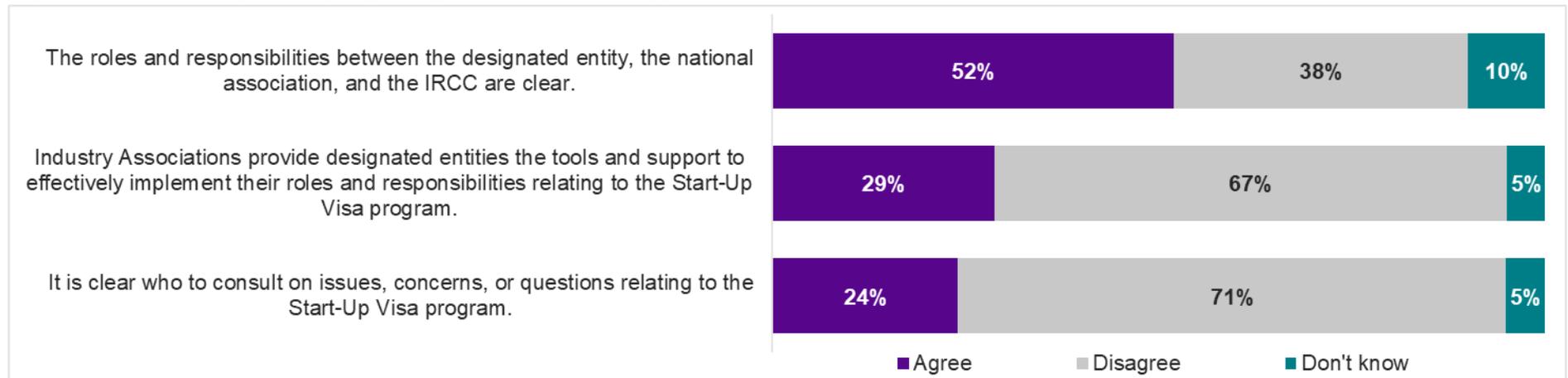
**Finding 5:** Although the high-level responsibilities are understood, there is a lack of clarity as to how DEs and IAs should carry out their specific roles.

Overall, the high level roles and responsibilities of stakeholders are well understood.

In fact, nearly all interviewees understood the high-level roles and responsibilities for each organization involved in the SUV program. However, some stakeholders stated that program guidelines around roles and responsibilities for these organizations are lacking. Most stakeholders stated that there is a lack of clarity on the process of how the roles and responsibilities are carried out. For example, it was not clear how DEs identify and support their applicants or how IAs support and provide services to their DEs, which makes it difficult for IRCC to ensure applicants are receiving the same quality and timeliness of services and that program integrity is being upheld.

The interviews also noted the lack of documentation on IA and DE processes and tools suggest that DE screening processes are unclear and inconsistent across organizations. The evaluation was unable to identify IA best practices (i.e., documentation on the screening process) and what activities have been implemented to promote best practices. Correspondingly, the lack of clarity in SUV program governance and support were identified in the DE survey.

**Figure 11: DE survey: SUV program governance and support**



Source: SUV DE Survey

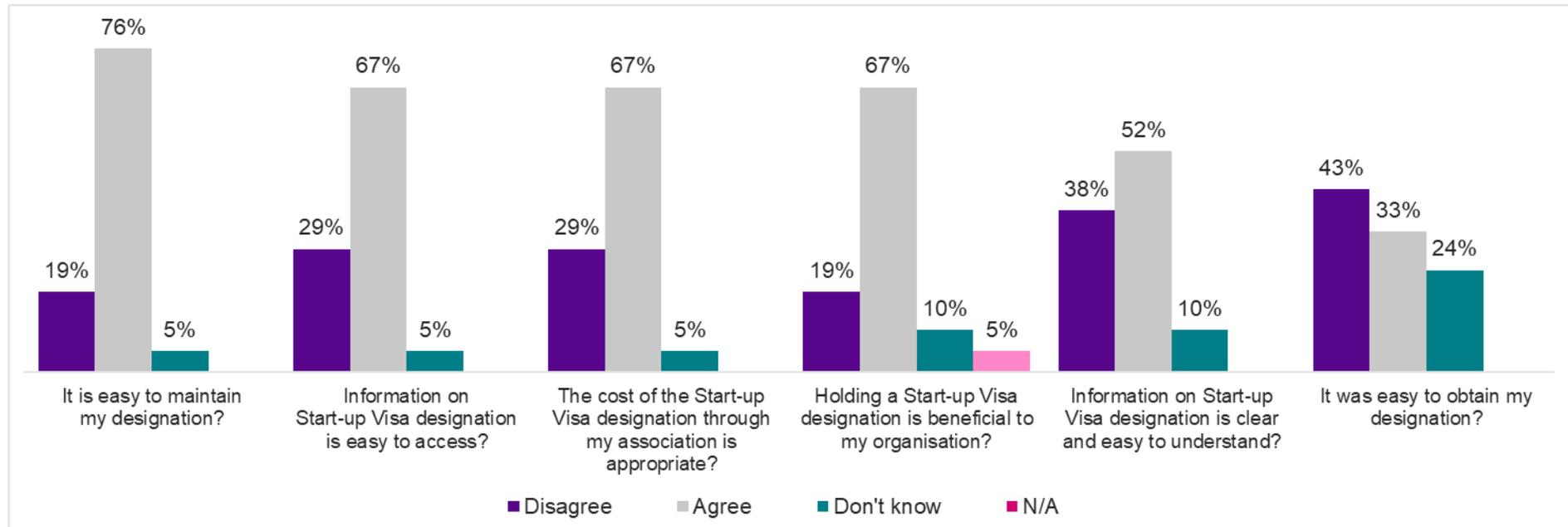
# Designation status

**Finding 6: DEs tended to have positive views on the value of the designation status and process; however, a sizable proportion reported finding it difficult to obtain.**

Many surveyed DEs agreed that their SUV designation is easy to maintain, that information on it is easy to access, that the associated cost is appropriate, and that the designation is beneficial. Most interviewees had limited comments on designation because these operations are mostly administered by IAs, but those who commented had a positive perception of the designation and the generalities of the process.

Conversely, there were mixed views among surveyed DEs on whether information on the designation is clear and easy to understand as well as whether the designation status is easy to obtain. This was also affirmed in the document review, where there were, in some cases, very limited details on the due diligence of designation and the step-by-step process in which DEs are designated.

**Figure 12: DE views on SUV designation status**



Source: SUV DE Survey

# Application process

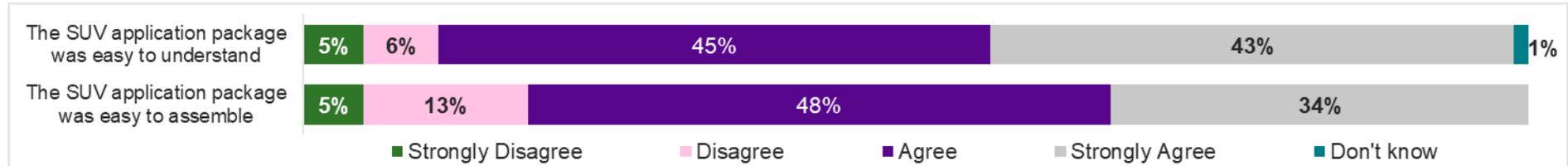
**Finding 7:** A majority of SUV clients understood the SUV application process; however, the peer review process was less understood.

## Client understanding of the application process

In contrast to other IRCC immigration programs, the SUV application process has the additional steps of designing a business/business proposal, obtaining a commitment certificate, and working with a DE.

The majority of surveyed clients agreed that the SUV application is easy to assemble and understand. However, 57% of surveyed clients reported that they had help with their application, and of those, 79% used an immigration lawyer or consultant. Additionally, 65% surveyed SUV clients reported that their designated entity contributed towards the completion of their application.

**Figure 13: Surveyed client understanding of the SUV application process**

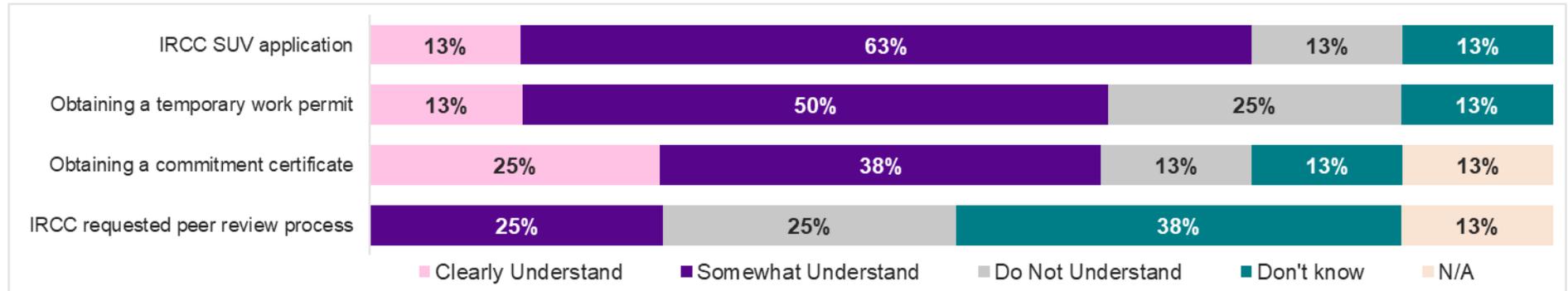


Source: SUV Client Survey

## Designated entities' understanding of the application process

In the survey of DEs, the evaluation asked about their and their clients' understanding of each major step in the SUV application process. The majority of DEs agreed that SUV clients understand how to obtain a commitment certificate, a temporary work permit, and the SUV application. Some DEs, however, reported that there are some difficulties understanding the peer review process.

**Figure 14: Surveyed DE views on client understanding of the SUV application process**



Source: SUV DE Survey

# Peer review process

**Finding 8: There were challenges observed in peer review process that are negatively impacting its effectiveness.**

## Peer review purpose and industry expertise

During SUV application processing, an immigration officer can request that a peer review be conducted to assist with the final processing decision. Under the SUV program, the IA is responsible for facilitating a peer review panel to assess the due diligence performed by the DE and whether it is consistent with industry standards, and whether the start-up venture is innovative.

Nearly all interviewees agreed that IRCC does not possess the niche subject matter expertise to review business proposals or to properly assess “innovation.” As such, support from outside experts, through the peer review process, was considered a necessary approach to help gauge whether due diligence has been performed and whether a start-up business is innovative and viable.

## Challenges with the peer review process

Despite a clear need for the peer review process, there are key challenges that are negatively impacting its effectiveness and use.

Concerns with peer review process emerged: document review indicated that the process is undermined by the lack of transparency and details on how panelists are selected, what instructions they are given, who fills out the Request Form, or how the panelists meet. As well, some IRCC interviewees and surveyed DEs also reported on this lack of transparency in the peer review

process, questioning its reliability as an independent and expert assessment.

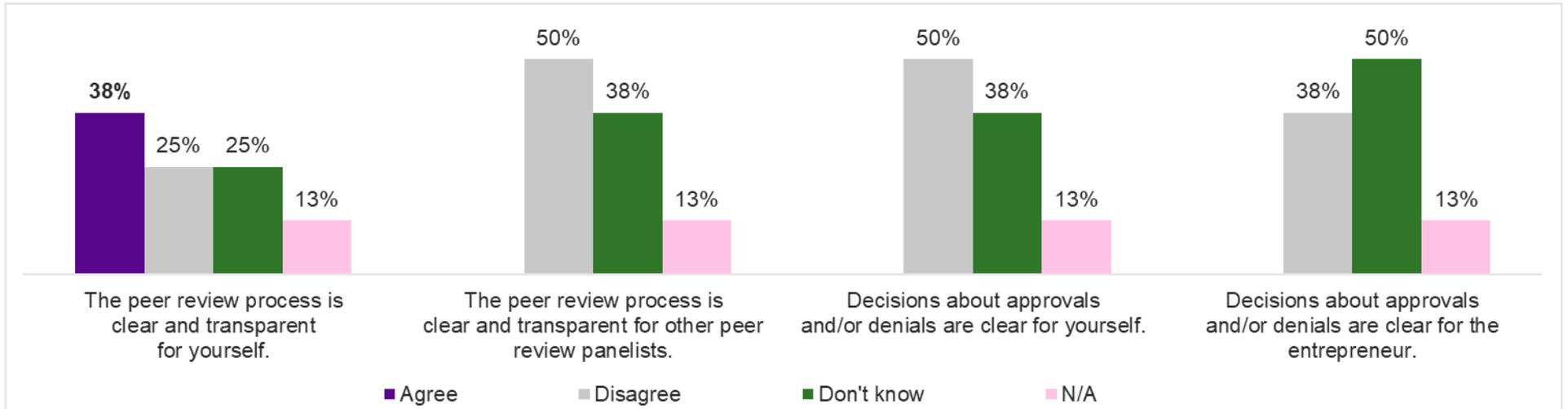
Under current regulations, there is no incentive or requirement for DEs to participate in a peer review process. After the program became permanent in 2018, some interviewees identified a risk of DEs refusing to participate in the peer review or the peer review was left incomplete, which negatively affected the integrity of the process.

Both document review and interviews found that there is a lack of streamlined communication between stakeholders involved in implementing a peer review, which sometimes leads to peer review requests being delayed or reported “lost”.

All lines of evidence reported that the peer review delays application process: interviewees reported 8-9 months; surveyed DEs reported one month to over one year; and, document review identified an average of 7 months added to processing time.

Interview data and document review noted that peer reviews vary in quality and may not address officer concerns. A few interviewees felt that due to challenges in the process, there was little incentive to use the peer review.

**Figure 15: Surveyed DEs views on clarity of peer review process**



Source: SUV DE Survey

# Program Integrity

**Finding 9: IRCC was able to detect problematic SUV applications and identify potential program misuse; however, there has been limited investigative capacity to address them.**

## Detection of problematic applications

Key informant interviews and document review demonstrated that IRCC was able to detect problematic applications and practices through several different internal means, including the DSC and IRCC Officers. Some key informant interviews pointed to a high volume of low-quality applications to suggest that some applicants may not intend to pursue a start-up business after admission to Canada, but could be seeking an expedited path to permanent residency. One-third (33%) of surveyed clients reported “an opportunity to immigrate to Canada” as the most appealing aspect of the SUV Program.

## Potential program misuse

Many key informant interviews and internal integrity exercises have observed some instances of potential misuse of the SUV Program by some DEs, including charging applicants for assessing the business, submitting documents to IRCC, and accessing IRCC services; submitting fraudulent applications; falsifying or reusing documents and business plans; sub-contracting due diligence responsibilities to external stakeholders; and conflicts of interest in business ownership and investment.

In addition, some key informant interviews and internal integrity exercises observed program misuse by immigration lawyers and consultants, such as selling SUV business plans and submitting fraudulent documents. IRCC activities are underway to better quantify and verify these concerns and potential program misuse.

## Investigative capacity

Some interviewees were uncertain about whether the SUV Program has clear authority to investigate all concerns regarding DEs and IAs, while some others were unclear on how to implement investigations within an SUV Program context. Some key informants also reported a lack of clarity on who is responsible for investigating program integrity concerns.

There was also a lack of clarity in the processing guidelines for SUV applications, including limited grounds by which a poor quality or questionable application could be rejected and that the vague definition of “innovation” restricts immigration officers’ investigative ability.

The evaluation found certain gaps in control mechanisms for the SUV Program, in that a portion of the program’s processes, including the peer review process and annual reports, are administered by external stakeholders, limiting IRCC’s oversight and control over SUV Program integrity. Currently, IRCC investigates reports of program misuse on a responsive/reactive basis and does not have a formal control mechanism to ensure that DEs continue to qualify for designation.

Some key informants cited a need for additional training on the SUV program and limited investigative resources (i.e., IRCC staff, tools) as hampering the ability to address potential program misuse. However, during the course of the evaluation, the SUV Program had developed more capacity and begun to address gaps in investigative capacity.

# De-designation of entities

**Finding 10:** Some DEs, particularly business incubators, have a lack of required investment and unclear motivations, which may be negatively impacting the SUV program. While there are clear authorities relating to the de-designation of entities, some gaps in the tools and clarity of process have hindered IRCC’s ability to fully utilize this integrity measure.

Some key informants identified that most of the problematic SUV applications are linked to start-up ventures supported by comes from Business Incubators, feeling that they were more likely to potentially be misusing the SUV program and may have alternative motivations due to the lack of a required minimum investment.

Some key informants stated that the eligibility criteria for applications connected to business incubators were insufficient, an issue also reflected in some of the refusal decisions, as 154 business indicator applications were refused between April 1, 2013 and December 31, 2021 – the stream receiving and rejecting the highest amount of applications, on pure numbers.

- Business Incubator 18% or 154 of 878
- Venture Capital 51% or 31 of 61
- Angel Investor 8% or 15 of 181

**Table 4: Application refusal by year and DE**

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Business Incubator	4	4	0	13	28	42	17	18	28	154
Venture Capital	1	1	0	5	13	0	5	5	1	31
Angel Investor	0	0	0	0	9	6	0	0	0	15
<b>Total</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>18</b>	<b>50</b>	<b>48</b>	<b>22</b>	<b>23</b>	<b>29</b>	<b>200</b>

Source: COGNOS (MBR)

## DE oversight

Key informants highlighted that a small number of DEs are responsible for a large number of the low-quality applications submitted, which affects program capacity to process applications and ultimately slows down processing. As well, applications connected to business incubators make up a large portion of litigation cases under the SUV program, which is resource- and time-intensive for the department.

**Table 5: Number of litigation cases for PR applications received between Jan. 1, 2013 and Dec. 31, 2022 under the SUV program**

Cases	Organization	2014	2015	2016	2017	2018	2019	2020	2021	Total
Top 3 Highest Litigation Cases	Org. A	0	0	1	23	28	15	13	1	81
	Org. B	0	0	0	0	3	5	13	0	21
	Org. C	0	0	0	0	2	10	5	0	17
Overall SUV Litigation Cases	#	11	4	3	51	63	98	219	17	466
	%	2	1	1	11	13	21	47	4	100

Source: COGNOS (MBR)

Some key informants identified that there are more actors getting involved and potentially outsourcing key SUV processes than originally anticipated. The growth of the DE population is primarily attributed to more Business Incubators entering the program rather than Angel Investor Groups or Venture Capital Funds.

### **De-designation authority**

IRCC's Minister has the clear authority to revoke the designation of any DE for failing to meet the conditions of the designation or for submitting false, misleading, or inaccurate information, and there have been several cases of DEs being de-designated in the past. However, all de-designations have stemmed from a voluntary request by the DE (e.g., DE no longer holding IA membership or the DE no longer in operation). To date, the de-designation process has not been used on a non-voluntary basis or in response to program integrity concerns raised.

### **De-designation capacity**

Interviewees stated that there is a lack of tools (e.g.; inspection letters) and an unclear process for de-designation, however noting clearly that IRCC is in the process of developing capacity for de-designation, albeit with multiple challenges to building this capacity. IAs, rather than IRCC, are responsible for reviewing DEs on a regular basis, and IRCC inspections are typically tied to work permits and employers rather than self-employed entrepreneurs and DEs, so existing inspection tools must be adapted to meet the unique structure of the SUV program.

# Economic benefits

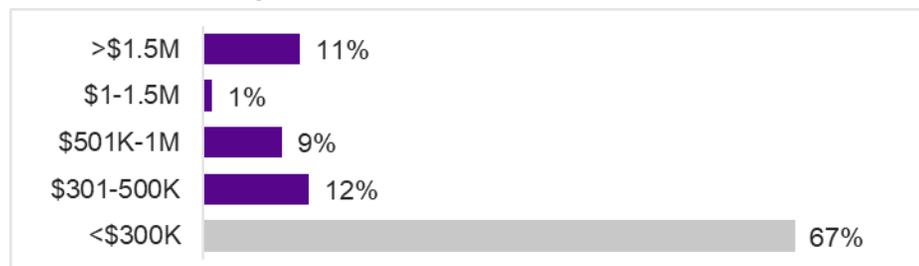
**Finding 11:** The SUV Program has created economic benefits for Canada, namely in terms of capital raised, increased income, job creation, and indirect benefits related to accompanying family members. However, it was not possible to fully assess certain post-admission economic outcomes of the SUV program, given some limits in performance measurement data.

The evaluation was able to examine some related economic benefits of the SUV Program through the client survey and analysis of CEEDD data, looking at several key metrics: capital, job creation, and income.

## Aggregated capital

The aggregated capital<sup>8</sup> raised at the beginning of the start-up demonstrates how much investment, including the founder's funding, was collected to start the business. This funding is often used to supply salaries of the founders, procure basic materials for proto-typing goods or services, and some liquidity for business proposals, marketing, or contract labour. On this measure, 67% of survey clients reported that they had \$300,000 or less aggregated capital raised at the beginning of the start-up.

**Figure 16:** Total aggregated capital raised at the beginning of the start-up

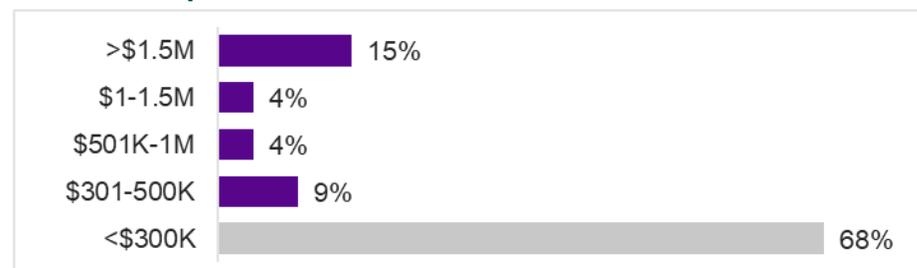


Source: SUV Client Survey

<sup>8</sup> Aggregate Capital means the sum of capital, surplus, undivided profits, and reserves as of the most recent calculation date.

As the business develops and grows, so should the total capital, generally, indicating that the business is receiving income or investment streams that support its sustainability or growth. While the proportion of survey respondents reporting a total aggregated capital of \$300,000 or less thus far in their start-up business remained about the same as at the beginning (67% to 68%), the proportion reporting a higher total aggregate capital raised increased slightly, suggesting a very modest level of growth.

**Figure 17:** Total aggregated capital raised thus far in their start-up business



Source: SUV Client Survey

## Job creation

SUV businesses also generated the economic benefit of having created jobs. According to CEEDD data, 230 business owners hired 990 employees from May 2016 to December 2019, which aligned with the SUV client survey where 83% of survey respondents reported that they employ 5 or fewer employees to support the functioning of their start-up business.<sup>9</sup>

<sup>9</sup> For multiple business owners, business information is based on the main business that generated the highest income. Each owner owned one business in each year. A business can have more than one owner.

## Income

The source of income for incorporated business owners can include employment income from self-owned businesses and prorated business dividends according to their business share. SUV business owners are reporting income: according to CEEDD data, the median income for SUV PAs generally increased as their number of years in Canada increased (admission to 3 years in Canada). This trend was consistent for their employees.

**Table 6: Median Income\* of SUV program principal applicants\*\* admitted from May 2016 to Dec 2019**

	T2 business owners T4 and income +dividends	T4 employees and T4 income
All Post-admission years (cohorts)	40 000	29 000
<b>Admission year cohort</b>		
2016 (about three years in Canada)	146 000	58 000
2017 (about two years in Canada)	44 000	32 000
2018 (about one year in Canada)	78 000	21 000
2019 (admission year)	20 000	13 000

Source: Statistics Canada, Canadian Employer-Employee Dynamic Database 2019 vintage.

Note: \*The median income distribution is based on a person-year level of observation and those who reported positive income in each year. Each PA cohort year (i.e. clients that were admitted to Canada in specific calendar year) had an increasing cumulative taxable income with each year after their admission to Canada, and were paying Canadian taxes, indicating some level of economic success/growth.

\*\*Table excludes applicants with zero income.

## Indirect Benefits

Through economic activity generated by spouses and dependants, the SUV program has had indirect benefits on the Canadian economy. Administrative data showed that SUV PAs were accompanied by a total of 420 spouses and 672 dependants between April 1, 2013 and December 31, 2021. Correspondingly, client survey results showed that:

- 74% of SUV PA respondents reported bringing their spouse on their application. Of those who brought a spouse, 49% reported that their spouse worked when they arrived in Canada.
- 67% of SUV PA respondents reported bringing their children on their application. Of those, 71% reported that their child(ren) studied when they arrived in Canada.

## Macroeconomic benefits

Internal IRCC research, also using CEEDD and other datasets, demonstrated the contributions that businesses owned by SUV PAs make to the economy in terms of GDP and corporate tax payments<sup>10</sup>.

- The average GDP contribution of businesses owned by SUV newcomers is approximately \$126,000.
- The average corporate taxes paid by businesses owned by newcomers admitted through the SUV program was approximately \$13,000.

<sup>10</sup> Internal research report - Performance and Contributions of Businesses Owned by Immigrants Admitted through Federal Business Programs, Research and Data Branch, IRCC, July 2023.

## Distribution of benefits

Administrative data showed that British Columbia and Ontario were the top beneficiaries of the SUV program, accounting for 54% of all landed SUV PAs. While this may be highly concentrated in the major Canadian centres, the remainder is spread across the other provinces, which indicates geographic dispersion of program clients and benefits, albeit somewhat unevenly.

## Limits on available data

IRCC does not systematically collect post-admission or economic benefits data such as the amount of investment generated and the proportion of high-growth SUV start-ups, among other potentially valuable indicators due to several factors. For example, according to the OECD, quantifying the SUV program's economic benefits is a common problem due to the nature of the start-up sectors (i.e. challenges defining "success", and quantifying a growing start-up business ecosystem).

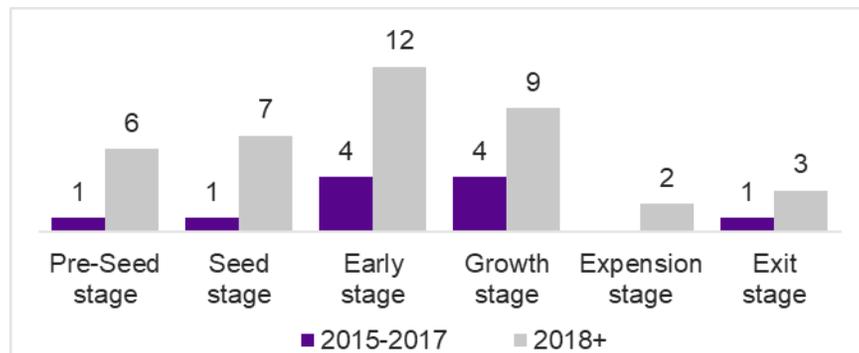
# Retention

**Finding 12:** While evidence indicates that many SUV clients are actively pursuing their start-up businesses and almost all are remaining in Canada, some are experiencing integration challenges.

## Pursuing start-ups

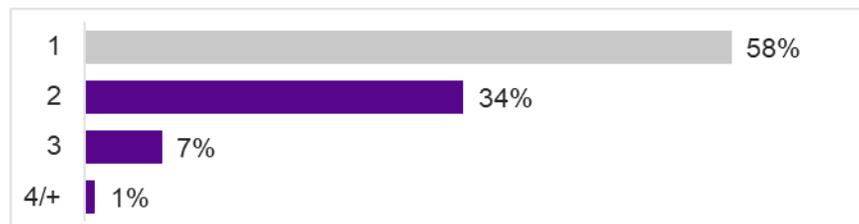
Surveyed SUV clients reported the current business stage of their start-up. The evaluation connected their responses to their admission year to demonstrate some of the progress that SUV clients have made on their start-up business.<sup>11</sup> A majority reported being in the early or growth stage.

**Figure 18: Start-up stage by admission year**



Source: SUV Client Survey

**Figure 19: Number of total start-up businesses of surveyed clients**

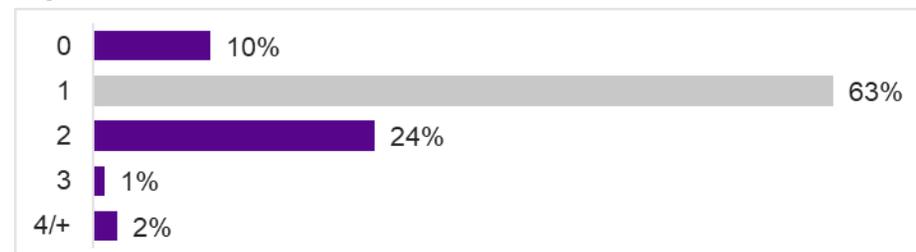


Source: SUV Client Survey

From a start-up business sector perspective, 58% reported involvement in only their original start-up business, while 42% reported involvement in two or more start-ups. Involvement in multiple businesses is also an indicator of increased business activity.

Additionally, surveyed clients reported on the number of start-up businesses they are actively pursuing. Overall, 63% reported that they were actively pursuing one start-up. Only 10% of surveyed clients reported not actively pursuing a start-up business. These survey results affirm what some interviewees noted: even if SUV clients are unsuccessful with their first start-up business, they continue to contribute towards Canada's start-up business sector through another start-up business.

**Figure 20: Number of active start-up businesses**



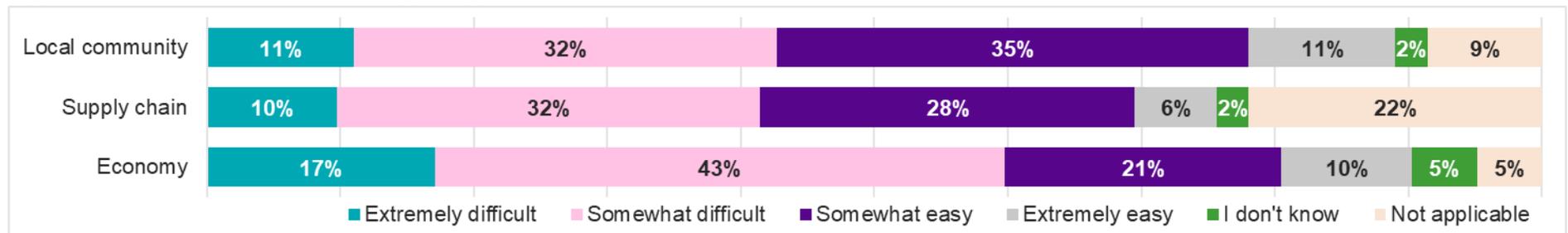
Source: SUV Client Survey

SUV clients are uniquely positioned because they have a DE involved in their immigration journey. Nearly two-thirds (63%) of surveyed clients reported that their DE contributed somewhat or largely towards their integration in the community and 47% of surveyed DEs reported that their support helped to retain their SUV clients in Canada, even if their original start-up venture failed.

<sup>11</sup> Due to data limitation not all survey responses were connected to internal datasets, which limited the figure's population.

Despite these overall positive settlement results, a number of clients also reported having a difficult time integrating into their local community, supply chain, and economy.

**Figure 21: Client’s difficulties integrating**



Source: SUV Client Survey

In both the DE and client surveys, it was reported that the top challenges were finding housing or accommodations and developing professional networks, which are also hurdles often cited by other economic immigrants.

### Retention

The SUV client survey had several questions to better understand the retention and integration of clients across different aspects of their immigration journey. From an overall retention perspective, 94% of surveyed clients indicated living in Canada. Moreover, 65% of surveyed clients did not consider leaving Canada post-admission.

# In-kind and paid services

**Finding 13: DEs provide a wide range of in-kind and paid services to SUV clients, who reported being satisfied overall with their DE.**

## General satisfaction

Once SUV clients arrive in Canada, their DE is tasked with supporting the development of the start-up business. Overall, 85% of surveyed clients indicated that they were very (48%) or somewhat (37%) satisfied with their DE.

In addition, 69% of surveyed clients reported that DEs somewhat contributed (46%) or contributed (23%) towards the success of their start-up business.

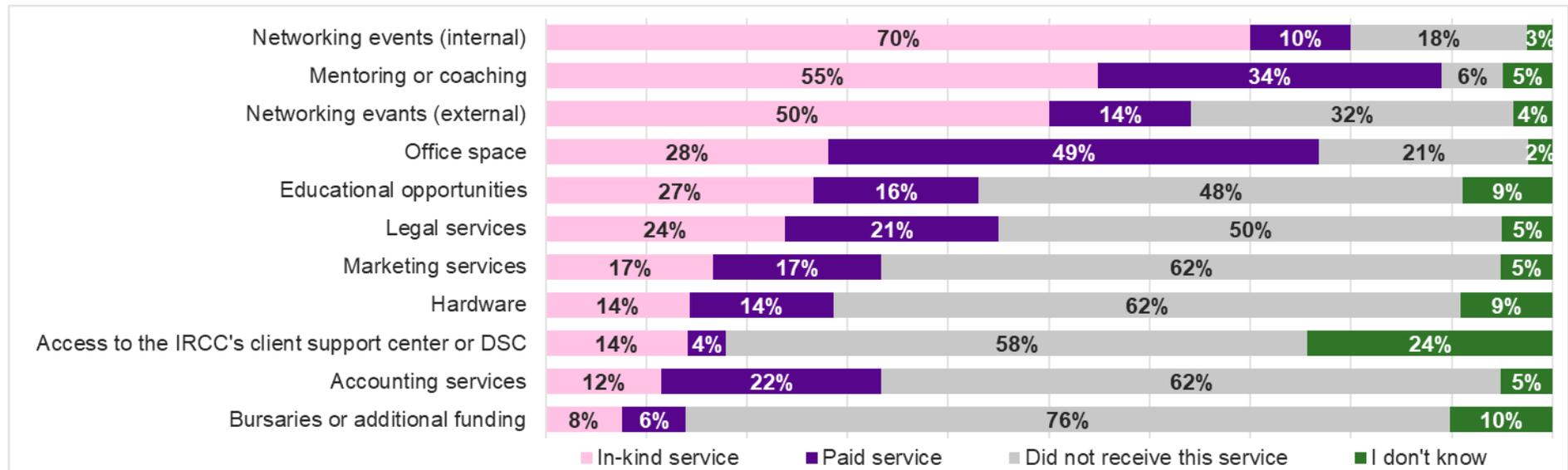
## Distribution of services

To support the development of start-up businesses, DEs provide services to SUV clients. The evaluation collected some data on DE services, and Figure 22 outlines that clients reported receiving quite a wide array of services and how they received them (i.e. paid or in-kind).

According to surveyed clients, the services provided most often by DEs were: internal networking events, mentoring or coaching, and external networking events as in-kind services.

Key informants and document review raised some concern that a few DEs are charging fees to clients for access to the IRCC Client Support Center (4%) and that most services are paid services by the clients. However, these services vary by DE and are not tracked in a systematic way, making it difficult for IRCC to ensure applicants are receiving consistent and quality services.

**Figure 22: Services provided by a DE**



Source: SUV Client Survey

# Temporary work permit

**Finding 14: The temporary work permit permits are being used by SUV clients, with many considering it helpful in starting a business in Canada.**

## Work permit usage

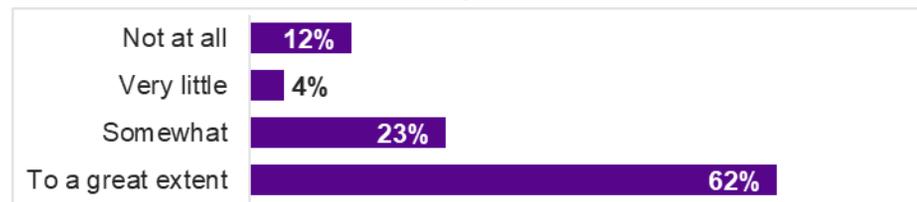
Administrative data showed that over half of PAs (51%) obtained a temporary work permit through the IMP. Of these clients, 43% benefited from the A75 Labour Market Impact Assessment (LMIA) exemption for start-up business class (SUV) permanent resident visa applicants.

A few key informants noted that this temporary work permit is one of the strengths of the program design because it facilitates access for entrepreneurs to Canada and allows them to conduct start-up activities while they wait for their SUV application to be processed. Some stakeholders noted that, in a fast-paced start-up ecosystem, the temporary work permit is important for developing a viable business.

Of the surveyed clients who received a temporary work permit, 62% reported that it helped them to start their business in Canada to a great extent.

However, some stakeholders across multiple lines of evidence stated that the one-year duration of the work permit is no longer sufficient due to SUV application processing wait times.

**Figure 23: Client views on whether the temporary work permit was helpful to starting their business**



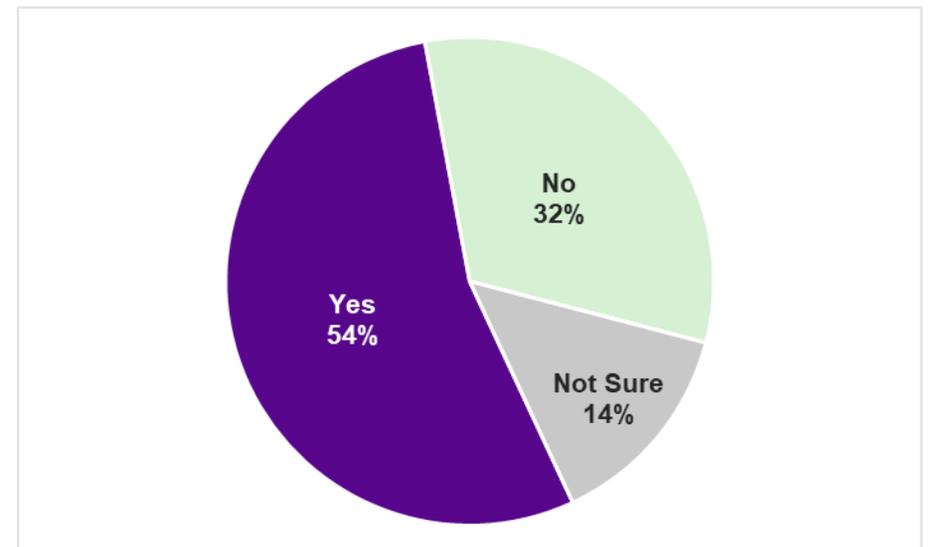
Source: SUV Client Survey

## Work permit awareness

In terms of awareness, 54% of surveyed clients reported that they were aware that they could apply for a temporary entrepreneur work permit under the International Mobility Program (IMP), with 32% reporting that they were unaware.

- Of those who reported being aware, 59% had applied for this temporary work permit.
- Of those who reported being unaware, 35% reported that they would have applied for it had they been aware.

**Figure 24: Client awareness of short-term work permit**



Source: SUV Client Survey

# Conclusions and recommendations

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## Conclusion

The evaluation focused on the design and performance with respect to the expected outcomes that Start-Up Visa entrepreneurs are actively pursuing innovative start-up ventures in Canada and that the SUV Program supports economic benefits to Canada. The evaluation covered the period of May 2016 to December 2022.

The evaluation found that there is a need for high potential entrepreneurs to strengthen Canada's economic position in the face of global trends and domestic economic needs such as: advancements in technology, re- and up-skilling the Canadian labour force, and attracting high growth firms. The SUV Program was an aligned and valuable IRCC immigration program that Canada benefited from; however, the full extent of those benefits were not clear.

The program demonstrated some success attracting high-value and innovative start-up ventures, and there were indicators that SUV clients were actively pursuing start-up businesses and supporting economic benefits to Canada. However, given limited performance measurement data related to its expected outcomes, the program had difficulty demonstrating the full extent of each of those outcomes.

The evaluation demonstrated some limitations in the program design and delivery framework, including in the roles and responsibilities, processing times, peer review process, de-designation, program controls and lack of investigative capacity and performance measurements, that restrict the effectiveness of the SUV Program.

In response to the evaluation's findings, five recommendations are proposed.

## Recommendations

### Recommendation 1: Performance Measurement and Data Collection

The evaluation found that there were performance measurement gaps and insufficient data in key SUV areas, including business development, economic impacts, SUV client business performance, the start-up business industry ecosystem, peer review process results, and post-admission entrepreneurial experience.

IRCC does not collect or compile data after a client receives their permanent residence and is admitted to Canada, nor does it collect or compile data on Canadian business performance and economic indicators. IRCC could leverage the data of key partners (i.e. ISED, Statistics Canada, and IAs) to harmonize with and augment existing IRCC data in order to build a more robust performance measurement strategy for the SUV program.

1. IRCC should, in consultation with partners, reconfirm additional key performance indicators on SUV client business performance and the start-up business industry, and collect associated data.

### Recommendation 2: Peer Review Process

The objective of the peer review is to provide an independent assessment of an applicant's business and the DE's due diligence. Despite stakeholders' agreement on the need for a peer review process, the evaluation found that this objective was not always achieved and that there was a lack of details, transparency, and clarity that undermines this process.

The evaluation identified key areas of concerns including: little to no documentation, lack of required participation, lack of streamlined communication, and timeliness. These concerns diminished the reliability of the process and the incentive for officers to use this process in its current form.

2. IRCC should develop and implement a strategy to more fully document and strengthen the peer review process in order to ensure its reliability and maximize usefulness.

### **Recommendation 3: Roles and Responsibilities**

The evaluation found that the high level roles and responsibilities of stakeholders are well understood; however, there is lack of clarity as to how they should be carried out and enforced.

The evaluation found that there is no IRCC control mechanism developed that require DEs to maintain their SUV designation status to ensure consistent program usage and quality of applications. This also includes IRCC's inability to deal with non-compliant stakeholders. Developing the mechanism to perform non-voluntary de-designations will be key to ensure consistency in the program.

3. IRCC should develop and implement an approach for overseeing the participation of Designated Entities in the program, including by clarifying roles and responsibilities and the process for de-designations.

### **Recommendation 4: Program Integrity**

The evaluation highlighted various issues with the integrity management of the SUV program, specifically a lack of resources and controls, as well as limited integrity measures and investigative capacity.

SUV's integrity measures (e.g., IA peer review process, IA annual reports, and DEs' initial start-up venture assessment) are administered by external stakeholders, limiting IRCC's oversight. As well, the IAs' documentation and best practices were unclear and inconsistent across organizations.

The evaluation highlighted various issues related to potential program misuse and observed that IRCC was responding to several different types of integrity concerns. It was found that IRCC does not have the necessary investigative tools, has limited internal training for staff and external stakeholders, limited internal human resources for IRCC investigations, a lack of formal DE control mechanisms and capacity to conduct non-voluntary de-designations.

4. IRCC should strengthen the program's integrity strategy by enhancing its investigative capacity, including tools and resources.

### **Recommendation 5: Backlog and Processing Times**

The backlog and processing times increased over the evaluation period, with a peak in 2020. As demonstrated by the document review and key informant interviews, low quality applications, lack of intake control, backlogs and processing times have a negative impact on the attractiveness and competitiveness of the SUV, particularly in the start-up environment.

The evaluation found that all applications tied to a start-up venture must be processed as a group. If one entrepreneur's application is not finalized, then it can delay the final decision for all applications linked to the start-up venture. This policy issue often creates operational impacts and additional processing steps and time, for a program with high demand and limited intake spaces.

5. IRCC should take steps to address program wait times and reduce the application backlog.

# Annex A

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**Table 7: SUV Intake and processing**

	2016	2017	2018	2019	2020	2021	2022	Total
Received	76	119	302	380	1,314	1,581	1,437	5,209
Processed	41	106	139	268	77	224	198	1,053

Source: COGNOS (MBR) (SEPT 2023)

Note: Based on information and data collected in early 2023

# Annex B

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## United Kingdom Start-Up Visa

- Temporary stay in the UK for 2 years. No extension available.
- This visa is available for those wishing to set up or run a business in the UK; those residing outside European Economic Area and Switzerland
- Prior to application, business idea assessed by approved body.
- Be min. 18 years old
- Meet English language requirement (min. CEFR level B2) and recognised by UK NARIC as being equivalent to UK bachelor's degree, master's degree or PhD
- Demonstrate sufficient personal savings to support applicants self while in UK
- Must have min. £945 for 90 consecutive days prior to application

## Australia entrepreneur

- Up to 4 years
- For overseas entrepreneurs to develop concepts in South Australia, add value to local innovation ecosystem, create jobs, and increase number of business start-ups.
- Be endorsed by Government of South Australia
- Include supporting business plan when applying for visa
- Be under 45 years of age at the time of the application
- Demonstrate a min. of standard vocational English
- Health requirements
- Character requirements

## United States international entrepreneur

- Temporary stay of up to 30 months (potentially extended up to additional 30 months)
- International Entrepreneur Rule: established new regulatory process and criteria for certain foreign entrepreneurs to be paroled into the country and seek US investment to develop and grow businesses.
- Must attain third-party endorsement from: recognized US investor or federal, state, or local government entity with expertise in economic development, research and development, or job creation.
- Min. capital required of US \$250,000 by US investor, or US \$100,000 in grants or awards from qualifying US federal, state, or local government entities.
- Demonstrate that individual brings a significant benefit to the public.

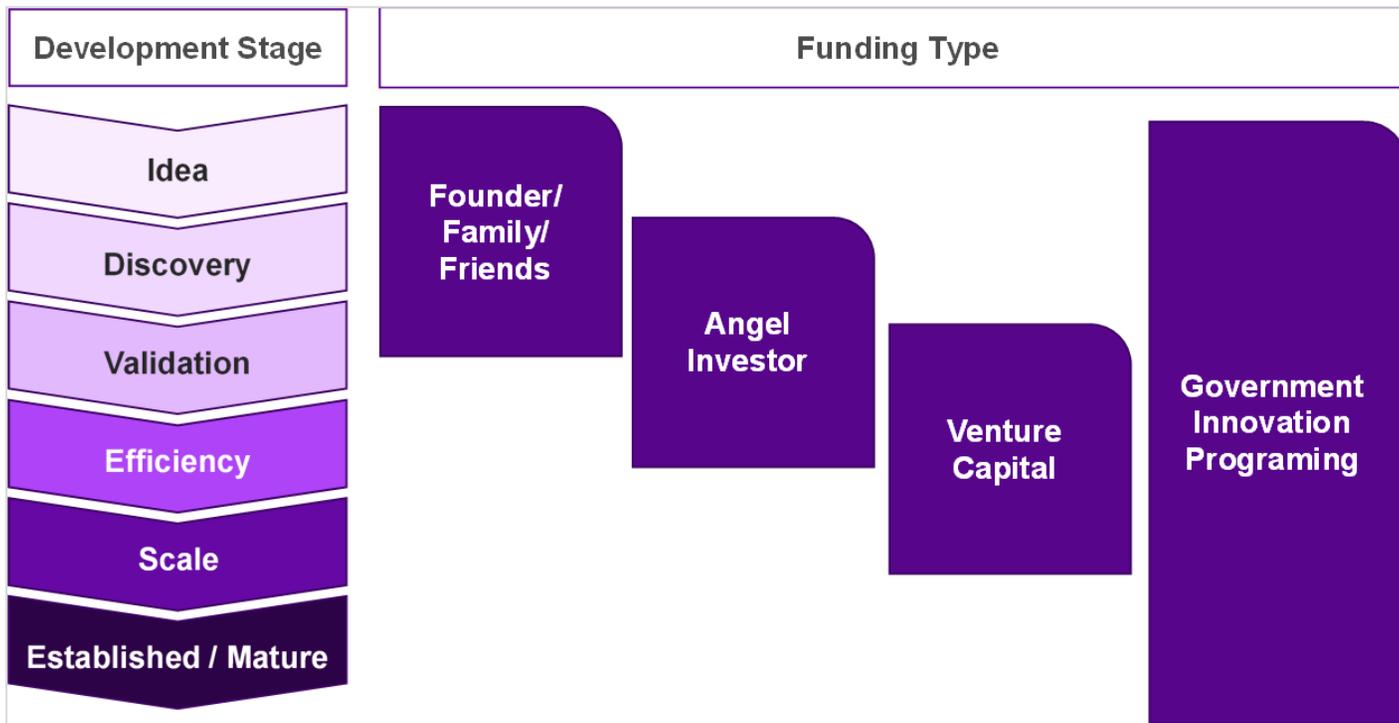
# Annex C: ISED business start-up stages

The Client Survey asked respondents questions about their start-up business' performance across seven different key business indicators. To support the interpretation of these key business indicators, the evaluation will frame the results within ISED's Untangling The Seed and Early-Stage Funding Environment in Canada report (2022) (referred to as the "ISED Untangling Report") and ISED's Key Small Business Statistics (2022).

The graph below depicts both the development stages of a start-up and the approximate timing that funding or capital would flow from specific types of investors. This concept of "investment timing" will be used as a comparative measure to frame SUV start-ups against the Canadian average, further details are described below.

## Description of figure:

Typically, the start-up founders invest their own funding into the business. Then, when the business has "discovered" its market niche and a sensible business model, Angel Investors are usually the first to invest to build-out and accelerate the business. Then, Venture Capital groups typically invest when the business begins producing goods or services, and the business model is validated and functioning. This often advances the start-up into rapid growth or scaling to the point where the business may become profitable. In general, the first few years of a start-up often operate at a loss before they reach their "break-even point" later in the business cycle.



# Annex D: Detailed SUV profile data - Admission sign dates between 1 April 2013 and 31 December 2021

**Table 8: By admission year**

	ALL n=1773	PA n=631	Spouse n=420	Dependant n=672
2014	9	4	3	2
2015	62	26	17	19
2016	105	47	23	35
2017	132	57	37	38
2018	249	88	66	95
2019	523	200	124	199
2020	259	81	60	118
2021	384	128	90	166

**Table 9: By gender**

	ALL n=1773	PA n=631	Spouse n=420	Dependant n=672
Female	811	154	333	324
Male	912	477	87	348

**Table 10: By age**

	ALL n=1773	PA n=631	Spouse n=420	Dependant n=672
0 to 9 years old	303	0	0	303
10 to 19 years old	332	0	0	332
20 to 29 years old	193	118	38	37
30 to 39 years old	366	216	150	0
40 to 49 years old	400	214	186	0
50 to 59 years old	109	71	38	0
60 years old or more	20	12	8	0

Source: GCMS

**Table 11: By marital status**

	ALL n=1773	PA n=631	Spouse n=420	Dependant n=672
Common Law	29	18	11	0
Divorced	12	12	0	0
Married	865	457	408	0
Separated	3	3	0	0
Single	814	141	1	672

**Table 12: By education**

	ALL n=1773	PA n=631	Spouse n=420	Dependant n=672
Bachelor's Degree	461	252	202	7
Diploma /Certificate (Non-Uni)	55	29	21	5
Diploma/Certificate (Trade)	19	12	7	0
Doctorate - Ph D	62	46	16	0
Master's Degree	320	212	108	0
None	213	0	0	213
Not stated	20	2	2	16
Post Graduate - No Degree	29	17	11	1
Post-Secondary - No Degree	80	47	28	5
Secondary or Less	464	14	25	425

Source: GCMS

**Table 13: By country of citizenship**

	ALL n=1773	PA n=631	Spouse n=420	Dependant n=672
Vietnam	332	87	79	166
India	243	99	61	83
China, People's Republic of	227	93	61	73
Iran	205	83	58	64
Hong Kong SAR	97	26	19	52
United Kingdom and Overseas Territories	66	27	17	22
Turkey	57	20	15	22
United States of America	55	14	8	33
Brazil	54	21	14	19
Russia	39	16	11	12
Nigeria	32	12	7	13
Ukraine	30	11	9	10
Pakistan	22	12	6	4
South Africa, Republic of	22	6	5	11
Kazakhstan	16	4	3	9
Israel	15	7	2	6
Egypt	15	5	3	7
Australia	14	7	2	5
Netherlands, The	14	5	2	7
Italy	14	4	3	7

**Table 14: By province of intended destination**

	ALL n=1773	PA n=631	Spouse n=420	Dependant n=672
Alberta	91	36	19	36
British Columbia	708	233	174	301
Manitoba	32	9	8	15
New Brunswick	43	20	11	12
Newfoundland and Labrador	9	6	2	1
Nova Scotia	36	19	8	9
Ontario	693	268	168	257
Prince Edward Island	111	40	30	41

Source: GCMS

**Table 15: Work permit use Yes or No**

	PA n=631
Yes	325
No	306

**Table 16: Work permit use by PA number**

	PA n=631
1	203
2	82
3	27
4	6
5	5
6	2

**Table 17: Work permit use by PA (Type) LMIA exemption code: December 14, 2022 and before**

	PA n=631
A75 Start-up business class (SUV) permanent resident visa applicants	137
C10 Significant benefit exemption codes	82
C11 Self-employed business owner	32
C43 Post-grad employment	30
C41 Spouses or common-law partners of high - skilled workers (TEER 0 through 3)	10
C42 Spouses or common-law partners of full-time students	7
C32 Research exemption codes	5
C12 Intra-company transferee (ICT)	4
C25	4
H82 Holders of a temporary resident permit valid for a minimum of six months	2
LMO - Val	2
C21 International Experience Canada Program	2
T13 Significant Investment Projects	1
A70 Permanent residence applicants in Canada	1
C44 Post-doctoral Ph.D. fellows	1

Source: GCMS

# Annex E: Detailed CEEDD data

## All Start-up Visa Programs

**Table 18: Start-up Visa Program - principal applicants admitted from May 2016 to Dec 2019**

	Filed T1 tax (T1PMF) as denominator	T2 business owner	T1FD business owner (unincorporated)	Had T4 jobs
Pre-admission	210	70	40	100
Post-admission	490	230	150	170
<b>All</b>	<b>700</b>	<b>300</b>	<b>190</b>	<b>270</b>

## Post-admission years

**Table 19: By admission year**

	Filed T1 tax (T1PMF) as denominator	T2 business owner	T1FD business owner (unincorporated)	Had T4 jobs
2016	90	40	30	40
2017	130	70	50	50
2018	120	60	40	40
2019	140	70	30	30

**Table 20: By province of destination**

	Filed T1 tax (T1PMF) as denominator	T2 business owner	T1FD business owner (unincorporated)	Had T4 jobs
Eastern Canada (N.L., P.E.I., N.S., N.B., Que.)	70	30	20	30
Ontario	220	110	70	70
Western Canada (Man., Sask., Alta)	210	100	70	70

**Table 21: By gender**

	Filed T1 tax (T1PMF) as denominator	T2 business owner	T1FD business owner (unincorporated)	Had T4 jobs
Male	370	190	110	140
Female	120	40	40	40

Source: Statistics Canada, Canadian Employer-Employee Dynamic Database 2019 vintage.

Notes: Percentage is calculated after rounded number of persons or businesses to the nearest 10. Numbers may not sum up due to rounding.

**Table 22: By age group at admission**

	Filed T1 tax (T1PMF) as denominator	T2 business owner	T1FD business owner (unincorporated)	Had T4 jobs
Above age 45	110	50	40	20
Age 45 and under	380	180	110	150

**Table 23: By marital status at admission**

	Filed T1 tax (T1PMF) as denominator	T2 business owner	T1FD business owner (unincorporated)	Had T4 jobs
Married/Common-law	360	170	110	110
Other marital status	130	60	40	60

**Table 24: By education at admission**

	Filed T1 tax (T1PMF) as denominator	T2 business owner	T1FD business owner (unincorporated)	Had T4 jobs
Trade, diploma, some university or less	100	40	40	30
Bachelor's degree or some post-grad.	200	90	60	80
Master or Doctorate	190	100	50	70

**Table 25: By country of citizenship**

	Filed T1 tax (T1PMF) as denominator	T2 business owner	T1FD business owner (unincorporated)	Had T4 jobs
China	80	40	30	20
India	70	40	20	20
Viet Nam	60	30	20	20
Other countries	270	130	80	110

**Table 26: By mother tongue**

	Filed T1 tax (T1PMF) as denominator	T2 business owner	T1FD business owner (unincorporated)	Had T4 jobs
Chinese	60	30	X	20
Vietnamese	60	30	20	20
English	50	20	X	20
Other mother tongue	320	160	100	120

Source: Statistics Canada, Canadian Employer-Employee Dynamic Database 2019 vintage.

Notes: Percentage is calculated after rounded number of persons or businesses to the nearest 10. Numbers may not sum up due to rounding.

X: value suppressed to meet confidentiality requirement.