

New Zealand Business Migration – Residency By Investment

NEW ZEALAND - LAND OF THE LONG WHITE CLOUD

New Zealand is an island country in the Southwestern Pacific Ocean in the Southern Hemisphere. Consisting of a North Island, South Island and many other smaller islands, its closest neighbour is Australia which is more than 1500 kilometres away.

New Zealand is the fifth largest island nation on earth. It is land of spectacular natural beauty and diverse landscapes.

The economy of New Zealand went through sweeping changes in the 1980s resulting in a liberalized free trade economy. The service sector dominates the national economy, followed by the industrial sector and agriculture. International tourism has exponentially risen in recent years and contributes significantly to the economy.

New Zealand is one of the world's most stable and well-governed states – a developed country that offers its residents a high quality of life, health facilities, free education and economic freedom.

It is very popular destination among students, especially from Asian countries, due to its many universities and varied education programs offered.

New Zealand Business Immigration Program:

The New Zealand Business Immigration Program essentially consists of three categories:

1. Entrepreneur Work Visa program
2. Investor Visa program
3. Global Impact Work Visa program

1. Entrepreneur Work Visa Program:

This program is for experienced businesspersons interested in being self-employed, that is, owning and managing their own business in New Zealand. Under this category, passive investment or involvement is not permitted.

Under this program, applicants can apply for an Entrepreneur Work Visa, which allows them to buy or establish a business in New Zealand. There are two options available to applicants for obtaining residency of NZ after being granted an Entrepreneur work visa – fast track and slow track.

Applicants can apply for residence under the Entrepreneur Residence Category after either six months (fast track) or two years (slow track).

The Entrepreneur work visa is granted for three years in total and is structured in two stages:

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- **Start-up stage:**

Applicants who are approved under this category are initially given a 12-month work visa, enabling them to buy or establish their own business in New Zealand.

- **Balance stage:**

Once applicants have proven that they have taken the necessary steps to establish their business, they are granted a visa for the remaining 24 months.

Program requirements:

Applicants can qualify for this category provided they meet the following requirements:

- Make a minimum capital investment of NZ\$100,000 (excluding working capital)
- The requirement for applicants to demonstrate a minimum capital investment of NZ\$100,000 can only be waived for businesses in science, ICT, or other high value export-oriented sector, which demonstrates a high level of innovation or credible short-term high growth prospects
- Obtain 120 points or more, with points awarded for factors about the likely success of the business and its value to New Zealand
- Have a detailed and specific business plan which is not more than three months old and relevant to the New Zealand economy
- Have no recent history of bankruptcy, business failure and fraud
- Be in good health and of good character
- Meet English language requirements as stipulated by the NZ government, which is IELTS score of 4 band or have an English speaking background

Applicants have to show lawful, active, full-time involvement in the management and operation of a business in New Zealand which they have established, purchased, or made a substantial investment in.

The Entrepreneur Residence Category allows successful applicants to live in New Zealand permanently provided they have established a high growth and innovative business with export potential in New Zealand.

Obtaining Residency of NZ:

After having established a business in NZ, applicants can qualify for permanent residence in NZ in two ways:

- **Entrepreneur Residence Category (2 years)**

Under this option, applicants have to be self-employed for at least two years in a business that they have successfully established or purchased in New Zealand and which has significantly benefited New Zealand before they can apply for permanent residency.

- **Entrepreneur Residence Category (6 months)**

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Under this option, applicants can obtain residency faster, i.e. within six months, if they invest at least NZ\$500,000 in their business and create a minimum of three new full-time jobs for New Zealand citizens or residents.

Under both options, applicants need to meet health, character and English language requirements. Spouses and dependent children are eligible for work and student visas if they are accompanying the holder of an Entrepreneur Work Visa to New Zealand. They can also be included in the main application and need to meet the English language requirement.

2. Investor Visa Programs:

This program allows applicants to invest funds in NZ in order to obtain direct residency.

There are two categories of investment under the Investor Visa program:

- (i) **Investor 1 Category** – Also known as the Investor Plus Visa. Applicants are required to invest NZ\$10 million or more for a period of three years.
- (ii) **Investor 2 Category** – Also known as the Investor Visa. Applicants are required to invest a minimum of NZ\$3 million over a four-year period.

Recent changes have been made to the Investor Visa Category by the NZ Government to recognize and reward higher levels of business experience, English language skills and growth oriented investments.

(i) **Investor 1 Category: (Investor Plus Visa)**

Program requirements:

Investors have to fulfil the following requirements to qualify under this category –

- Applicants must invest a minimum of NZ\$10 million for a period of 3 years
- The investment funds should be owned by the applicant or jointly by the applicant and his/her spouse and/or dependent children if they are included in the application
- Funds should be free of mortgage and other such liabilities
- Funds should be legally earned or obtained
- Applicants must reside for 44 days in NZ in each of the last 2 years of a three year investment period or 88 days over the three year investment period
- There are no language or age requirements

(ii) **Investor 2 Category: (Investor Visa)**

Program requirements:

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Investors have to fulfil the following requirements to qualify under this category -

- Applicants must invest a minimum of NZ\$3 million over a period of 4 years
- The investment funds should be owned by the applicant or jointly by the applicant and his/her spouse and/or dependent children if they are included in the application
- Funds should be free of mortgage and other such liabilities
- Funds should be legally earned or obtained
- Applicants must reside for 146 days in NZ in each of the last three years of a four year investment period or 438 days in NZ over the four year investment period
- Applicants must have minimum of 3 years of business experience
- English language requirements apply
- Family members must have English language ability, the same as principal applicant
- Applicant's age should not exceed 65 years

Investor 2 visa holders who invest at least 50% of their investment funds into assets other than bonds and philanthropic investment can qualify for a reduction of NZ\$ 500,000 of the investment amount. For example, out of the NZ\$3 million of investment funds to be invested under this program, if applicants invest NZ\$1.5 million outside of bonds and philanthropic investment, then they will be required to invest only NZ\$1 million to meet the visa requirements.

What are the acceptable investments in NZ?

An investment is considered acceptable when -

- It is capable of a commercial return under normal circumstances.
- It is invested in New Zealand in New Zealand currency.
- It has the potential to contribute to New Zealand's economy.
- It is not for the personal use of the investor.

Investors interested in applying under the Investor Visa program of NZ can invest in the following acceptable investment options:

- Public or private equity firms in NZ. An equity investment can be active or passive, and be made direct or via managed funds (only the proportion of the fund that is invested in NZ is counted as acceptable).
- Bonds, issued by the NZ Government, NZ local authorities or approved NZ banks, finance companies or firms.
- New residential property development that is not for the investor's personal use and designed to make a commercial return on the open market.

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- Up to 15% of the investment total can be philanthropic investment.
- Applicants can nominate a mix of funds and/or assets to invest.

Once the applicant is approved under the Investor Visa Category, they have 12 months to transfer the investment funds in an acceptable investment in New Zealand. Applicants will have to furnish documents that support the legal origin of funds that are nominated to be transferred to NZ. After expressing interest to invest, applicants can apply for a work visa in order to explore investment opportunities.

3. Global Impact Work Visa Program – Start-Up visa of New Zealand:

The objective of the Global Impact Visa Program is to attract talented innovative entrepreneurs, investors and start-up teams who have the drive and capabilities to create and support innovation-based ventures in New Zealand.

The Global Impact Visa pilot is a partnership between Immigration New Zealand and a private sector partner for a period of 4 years till 2021 and 400 visas in total will be issued.

Under this program an applicant is selected for a period of 36 months in a specific incubation program and on successfully completing this program, the applicant can apply for immigrant visa of New Zealand.

Applications for the Global Impact Work Visa may be approved for a period of 36 months provided:

- Edmund Hillary fellowship program agrees to support the principal applicant for the Global Impact Visa program for the duration of the visa; and
- The NZ immigration office is satisfied that the applicant:
 - Has an IELTS score of 6.5 band or a required score in other acceptable language test or other evidence showing proficiency in the English language
 - Has sufficient maintenance funds of NZ\$36,000 for a period of 12 months which are legally obtained
 - Meets the health and character requirements for residency

On successful completion of the program, the applicant may apply for the Resident Visa of New Zealand.



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