

Terra Nova *e-book*

Investment = Residency

8th edition.

The Investment route to Residency in New Zealand

Explanation

Immigration New Zealand has established two categories for investors who wish to gain residency in New Zealand.

The basic difference between the two categories is the amount of investment you are willing to provide, and generally, the higher the investment funds, the easier it will be.

The Categories

The **Investor PLUS** or **Investor 1 Category** requires a minimum investment in New Zealand in NZ dollars of \$10 million for at least three years.

The **Investor** or **Investor 2 Category** will be possible with a minimum investment in New Zealand in New Zealand

dollars of \$1.5 million for at least 4 years.

The Differences

The differences can clearly be seen in below chart.

The chart confirms that the more funds you have to invest in New Zealand, less requirements have to be met.

In fact, if you have some NZ\$10 million, you only have to be in New Zealand 73 days per year for the last two years of your 3 years investment period.

In other words, you could live in the summer all year round by making New Zealand your summer destination!

That's a fantastic offer, and I wonder if you could do better anywhere else!

Terra Nova

e-book

This is already our *eights edition* now with information on the Investment categories.

The previous editions can also be downloaded at; www.terranovaconsultancy.co.nz

For correspondence or further information on using Investment to gain residency;

Terra Nova Consultancy Ltd

7a 169 Harris Rd, East Tamaki, Auckland 2013, New Zealand
PO Box 58385, East Tamaki, Auckland 2141, New Zealand

Phone/Fax +64 9 265 1578 Mobile +64 275 706 540

www.terranovaconsultancy.co.nz
info@terranovaconsultancy.co.nz

Key criteria	Investor PLUS	Investor
Maximum age	No requirement	65 or younger
Business Experience	No requirement	Minimum of 3 years
Investment Funds	NZ\$10 million in NZ for 3 years	NZ\$1.5 million in NZ for 4 years
Settlement Funds	No requirement	NZ\$1 million (transfer not required)
Main applicant's English language	No requirement	- English speaking background, or - IELTS overall band score of 3 or more, or - Competent user of English
Family members English	No requirement	Same as above, or pre-purchase ESOL tuition
Minimum time in New Zealand	73 days in each of the last two years	146 days in each of the last three years
Health and Character	Must meet Health and Character requirements under both categories	



INVESTOR PLUS CATEGORY 1 REQUIREMENTS

If you want to invest at least NZ\$10 million in New Zealand, and you would like to apply for New Zealand residence, the Investor Plus category could be the best option for you.

Everyone included in your residence application will have to meet the Immigration New Zealand Health and Character requirements.

During the application process you will need to provide verifiable evidence that you meet the Investor Plus criteria as shown below.

Investment funds and/or assets

The funds and/or assets you nominate in your residence application must be equivalent to at least NZ\$10 million.

You will have to provide evidence to show that these funds and/or assets are owned by you or jointly by you, your partner and/or dependent children, and are unencumbered, ie not subject to any mortgage, lien, charge and/or encumbrance (whether equitable or otherwise) or any other creditor claims, and have been earned or acquired legally, and are transferable through the banking system.

INZ will not be able to approve your application if you are unable to transfer funds to New Zealand through the banking system.

When INZ has processed your application and given you approval in principle you will need to

provide verifiable documents to show that the funds you transfer to New Zealand came from the funds and/or assets that you nominated.

You will need to invest a minimum of NZ\$10 million in an acceptable investment in New Zealand.

You cannot nominate investment funds or assets you intend to bring to New Zealand for your personal use – for example a personal residence, car, or boat.

After residence is approved

When your residence application is approved in principle (AIP), you (the principal applicant) will have 12 months time to transfer your nominated investment funds and invest them in an acceptable investment in New Zealand, though you can apply to have this timeframe extended.

You can also apply for a work visa so you can travel to New Zealand to look into investment opportunities.

You will need to retain your investment funds in an acceptable investment for three years.

You will have to spend at least 73 days in New Zealand each year in years two and three of your three-year investment period.

SOME NOTES AND COMMENTS

The main issue with this application is in the wording of the immigration instructions. It states that applications under this category may not be approved when the transfer of funds to New Zealand is not through the trading bank system.

While in the majority of countries this is not an issue, some Asian countries do have currency restrictions making it impossible to transfer funds through the trading bank system. We are aware however that the NZ Government is looking into this aspect and trust that a workable solution will be found (when?).

Our advise therefore to anyone interested in this application to obtain residency in New Zealand is to check, and double check, if your country has any currency restrictions.

If you cannot liquidate your assets, transfer and invest your funds in New Zealand within 12 months of approval in principle, you may request a further 12 months to do so.

If you do not transfer your funds within 12 months (or 24 months if extended) your application must then be declined.

For assistance please contact Terra Nova Consultancy Ltd, we are there to help you!

J Peter Hendriks, *qbe*, is the Managing Director from **Terra Nova Consultancy Ltd**.

In the Terra Nova *e-book* range, Peter highlights and provides basic advise as he is aware of the need of some knowledge of the processes and systems when immigrating to NZ. Peter is an Accredited Business Mentor and has a passion for immigration, for you!





INVESTOR 2 CATEGORY REQUIREMENTS

If you want to invest at least NZ\$1.5 million in New Zealand, and you would like to apply for New Zealand residence, the Investor Category could be an option for you.

Under this category, the first step is to submit an Expression of Interest (EOI) form, showing your eligibility for points (see below tables) under the various criteria for this category. INZ can approve a maximum of 300 residence applications per year under the Investor Category.

They make a fortnightly selection from the pool of EOIs, selecting those applicants with the highest points totals.

If you are invited you to apply for residence, you will then need to provide evidence that you meet the Investor criteria, as per the claims you made in your EOI application.

Everyone included in your residence application will have to meet the health, character, and English language requirements.

You as the principal applicant must be aged 65 or younger, and have at least three years' business experience, as well as meeting the Investor criteria detailed in below.

The investment funds and/or assets you nominate must be equivalent to at least NZ\$1.5 million, though you may nominate more, depending on the points claimed in your EOI.

In addition, you need to own settlement funds and/or assets of at least NZ\$1 million. In your residence application, you will need to provide evidence showing that your investment and settlement funds and/or assets

are owned by you or jointly by you and your partner and/or dependent children.

You will also need to be able to provide evidence showing that your intended investment funds are unencumbered, ie not subject to any mortgage, lien, charge and/or encumbrance (whether equitable or otherwise) or any other creditor claims, and have been earned or acquired legally, and are transferable through the banking system (INZ will not be able to approve your application if you are unable to transfer funds to New Zealand through the banking system).

After we give you approval in principle, you will need to provide verifiable documents to show that the funds you transfer to New Zealand came from the funds and/or assets that you nominate.

You will need to place your investment funds in an acceptable investment(s) in New Zealand.

When residence is approved

If your residence application is approved in principle, you (the principal applicant) will have 12 months to transfer your nominated investment funds and invest them in an acceptable investment in New Zealand, though you can apply to have this timeframe extended.

You can also apply for a work visa so you can travel to New Zealand to look into investment opportunities. You will need to retain your investment funds in an acceptable investment(s) for four years, and spend at least 146 days each year in New Zealand in years two, three and four of your four-year investment period.

THE VARIOUS POINTS TABLES ALLOWING YOU TO CALCULATE YOUR POINTS

Points for Business Experience in years	Points
3	9
4	12
5	15
6	18
7	21
8	24
9	27
10 +	30

IELTS overall band score	Points
3	1
4	4
5 +	10

What is IELTS?

IELTS stands for **I**nternational **E**nglish **L**anguage **T**esting **S**ystem. A Certificate will be issued confirming that you have achieved a certain level in Speaking, Writing, Listening and Reading.

The **IELTS** test was introduced in 1989 to assess "whether candidates are ready to train in the medium of English". It is now used for this purpose around the globe.

Age	Points	Age	Points
60-65	0	42	18
59	1	41	19
58	2	40	20
57	3	39	21
56	4	38	22
55	5	37	23
54	6	36	24
53	7	35	25
52	8	34	26
51	9	33	27
50	10	32	28
49	11	31	29
48	12	30	30
47	13	29	31
46	14	28	32
45	15	27	33
44	16	26	34
43	17	25	35

Investment amount in NZ\$m	Points	Investment amount in NZ\$m	Points
1.5	10	5.75	95
1.75	15	6	100
2	20	6.25	105
2.25	25	6.5	110
2.5	30	6.75	115
2.75	35	7	120
3	40	7.25	125
3.25	45	7.5	130
3.5	50	7.75	135
3.75	55	8	140
4	60	8.25	145
4.25	65	8.5	150
4.5	70	8.75	155
4.75	75	9	160
5	80	9.25	165
5.25	85	9.5	170
5.5	90	9.75	175

SOME NOTES AND COMMENTS

The minimum number of points required to become eligible is 20 points. These can be made up in any combination and you must at least claim 1 point for IELTS and at least three years of business experience (refer to above tables)

Selection takes place once every two weeks and those with the highest points are selected. If not selected you remain in the pool for a period of six months from the date of initial entry into the pool.

Funds need to be invested in an acceptable investment, in New Zealand dollars and in New Zealand only. This is important when you wish to invest in managed funds as only the proportion of the investment in New Zealand companies will meet the requirements.

You may not use the invested funds for personal use such as a personal residential property, a car, boat or similar assets.

You are only required to transfer your nominated investment funds to New Zealand.

The above appears to be quite simple and straight forward, however caution need to be taken when submitting the EOI.

In short you could say that all the points you claim need to be supported with evidential documents while specific and additional immigration instructions need to be met.

For assistance please contact us at:



Terra Nova Consultancy Ltd
 7a 169 Harris Rd, East Tamaki, Auckland 2013, New Zealand
 PO Box 58385, East Tamaki, Auckland 2141, New Zealand
 Phone/Fax +64 9 265 1578
 Mobile +64 275 706 540
www.terranoconsultancy.co.nz
info@terranoconsultancy.co.nz