

Active Investor Migrant Category

(Source: NZIS website)

How the Active Investor Migrant Category works

The new Active Investor Migrant policy has been announced by the New Zealand Immigration Service in May 2007 and is divided into three sub-categories:

- Global investors
- Professional investors
- General (Active) investors.

The three categories have been segmented on the basis of a migrant's potential contribution and according to the level of risk.

The category investors apply under will depend on their potential to contribute to New Zealand in financial and human capital, the amount of investment and the activeness of that investment. Investment must be active or semi-active (having money in a bank account will not meet the policy requirements, nor will investment in residential property development).

The three tiers are:

- Global Investors – top priority category for high value investors investing \$20 million (including at least \$5 million in active investment).
- Professional Investors – a second priority category for migrants investing \$10 million (including at least \$2 million actively).
- General (Active) Investors – a category for those investing a minimum of \$2.5 million. Applicants selected through a points system.

The General (Active) investor category will be a points based system to prioritise migrants on the basis of their potential to contribute to New Zealand businesses.

The points system will recognise:

- the importance of having both financial and human capital
- the benefit of active investment
- the value of export linkages, technology transfer, entrepreneurship and management skills.

The government has set an annual cap on the number of places available under the Active Investor Migrant policy at 1000 people (around 300 applications). Global and Professional investors will be selected first and the remaining places will be available to the General (Active) investor category.

How is it different to the current policy?

There have been several changes to the investor category over the last ten years in an effort to ensure the policy continues to meet its objective. That objective is to facilitate residence for those migrants, who have potential to make a significant contribution to New Zealand's economic transformation.

The current policy was introduced in 2005. This policy requires that \$2 million is deposited with the government, with a return equal to the rate of inflation. The policy was designed to ensure only genuine investors, committed to living in New Zealand and with the ability to contribute long-term to the New Zealand economy and society would gain residence.

While this objective is still relevant, the current policy is not attracting many investors and fails to connect investors with New Zealand businesses.

Active investment, on the other hand, is about creating a closer link between investor migrants and New Zealand businesses. More active investment would ensure that investor migrants are more likely to utilise their human and financial capital to support New Zealand's economic development.

	Current policy	1. Global Investor Category	2. Professional Investor	3. General (Active) Investor – points system
Investment capital	\$2M for 5 years. Deposit with the government.	\$20M for 4 years. At least \$5M active.	\$10M for 4 years. At least \$2M active	\$2.5M for 4 years. Must be at least semi-active.
Min. business experience	5 years	4 years	4 years	4 years
Max. age	Up to 54	None	Up to 64	Up to 54
Min. English language requirement	IELTS 5	None	IELTS 4	IELTS 5
Min. settlement funds	None	None	None	\$1M
Min. time in NZ	20% in total	20% every year	30% every year	40% every year

Why is it changing?

The most significant changes to the new policy are emphasis on having more active investment, and more focus on segmenting to target higher value investors first. Under the current policy, investment funds are required to be deposited with the government and do not directly contribute to New Zealand's business community.

Investor policies are a difficult balance between attracting high quality and serious investors with a competitive policy, while also managing the risks to New Zealand.

The new policy, with its emphasis on active investment and stronger focus on financial capital, has been developed to address these issues and make the policy more attractive to high quality investors.