



COVERSHEET

Minister	Hon Michael Wood	Portfolio	Immigration
Title of Cabinet paper	The Investment Attraction Strategy and Investor Migrants	Date to be published	5 October 2022

List of documents that have been proactively released

Date	Title	Author
August 2021	<i>The Investment Attraction Strategy and Investor Migrants</i>	<i>Office of the Minister of Immigration</i>
11 August 2021	<i>DEV-21-MIN-0162 Minute</i>	<i>Cabinet Office</i>

Information redacted

YES / NO

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reason of constitutional conventions, international relation, confidential advice to Government, and privacy of natural persons.



Cabinet Economic Development Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

The Investment Attraction Strategy and Investor Migrants

Portfolios **Economic and Regional Development / Immigration**

On 11 August 2021, the Cabinet Economic Development Committee (DEV):

Background

- 1 **noted** that one of the priorities in the Labour Party manifesto is to progress the Investment Attraction Strategy to attract international investment, skills and talent;
- 2 **noted** that on 17 March 2021 the Ministerial Group for Border Exceptions agreed in principle, subject to Cabinet agreement, to establish a new border exception for 100 investor migrants and their families;

Create a new Active Investor Plus visa and associated border exception

- 3 **agreed** to create a new investor visa category called the Active Investor Plus visa;
- 4 **agreed** to establish an associated border exception for eligible Active Investor Plus applicants;
- 5 **agreed** to the following design parameters:
 - 5.1 a minimum funds requirement of \$25 million or weighted equivalent that must be invested for three years;
 - 5.2 a requirement to invest in active investments, although it will be possible to invest in bonds for no more than the first twelve months;
 - 5.3 English language requirements (the equivalent of an overall International English Language Testing System score of at least 5.0);
 - 5.4 a maximum level of investment in philanthropy, of 40 percent of their portfolio;
- 6 **agreed** to assign a weighting of 3x to Angel and seed investment, and 2x to Venture Capital and private investment;
- 7 **noted** that the minimum funds requirement is higher than most other comparable countries that New Zealand competes with for investor migrants;

- 8 **noted** that Cabinet could choose a lower minimum funds requirement, which could increase the number of potential investors but reduce the likelihood of the investment being an active investment;
- 9 **noted** that investment in bonds will only be possible for the first twelve months after the visa is granted, and that investors who have not met those conditions could be made liable for deportation;
- 10 **directed** officials to undertake an implementation review of the Active Investor Plus visa 12 months after it goes live, and to report back to DEV on the outcome of that review;

Enable qualifying Investor 1 migrants to travel to New Zealand

- 11 **agreed** to create a border exception to enable Investor 1 resident visa holders and applicants who have been approved-in-principle for an Investor 1 resident visa to be eligible to enter New Zealand if they meet the requirements of the Investor 1 category;
- 12 **agreed** that for investors to qualify for this border exception:
- 12.1 their Investor 1 resident visa application has been processed and approved in principle, subject to the acceptable transfer and investment of nominated funds; or
 - 12.2 their Investor 1 resident visa application has been approved in principle, and they have begun or finished the process of transferring and investing the nominated funds; or
 - 12.3 their Investor 1 resident visa has been granted offshore but has not yet been used to enter New Zealand;
- 13 **noted** that the proposed exception has been assessed against the relevant criteria in the Cabinet-agreed framework for considering exceptions [CAB-20-MIN-0453], and is considered to meet the criteria;
- 14 **noted** that there are currently 67 Investor 1 investors who are eligible for this exception, while other investors will become eligible as their applications are processed to the approval in principle stage;
- 15 **noted** that the Minister of Immigration will report back to Cabinet should demand for the border exception greatly exceed the expected number of 100 Investor 1 investors, noting that this is considered unlikely given overall queue numbers and processing times;

Create a new class border exception for Global Impact Visa fellows

- 16 **agreed** to establish a border class exception for 50 fellows (under the Global Impact Visa category);
- 17 **agreed** that the Edmund Hillary Foundation will make recommendations to Immigration New Zealand, who will confirm that the individuals are included in the class exception;

Closing Investor 1 to new applicants and the Investor 2 category permanently

- 18 **agreed** to close the Investor 1 visa category with effect from one week after Cabinet's decisions have been communicated to the public, to stop the submission of new visa applications;
- 19 **Constitutional conventions**

- 20 **agreed** to permanently close the Investor 2 visa category, with effect from one week after Cabinet's decisions have been communicated to the public;

Financial implications

- 21 **agreed** that the current fee and levy charges for Investor category applications apply to the new Active Investor Plus category in the interim, and that these changes will be reviewed as part of the immigration funding review currently underway;
- 22 **noted** that the decisions above will reduce the future volume of investor applications, and that this will impact on both revenue and operating costs but will have no impact on the Crown's operating balance;
- 23 **noted** that the immigration funding review currently underway will take the decisions above into account when calculating impacts on appropriations;

Implementation

- 24 **noted** that the proposed border exceptions will result in additional people seeking entry to New Zealand via the Managed Isolation and Quarantine system, but that the impact is expected to be minimal because the expected number of individuals is likely to be small;
- 25 **authorised** the Minister of Immigration and the Minister for Economic and Regional Development to agree to the technical details of the proposed Active Investor Plus visa category;
- 26 **invited** the Minister of Immigration to give effect to the above paragraphs through issuing drafting instructions to the Parliamentary Counsel Office and certifying amendments to Immigration Instructions.

Janine Harvey
Committee Secretary

Present:

Hon Grant Robertson (Chair)
Hon David Parker
Hon Nanaia Mahuta
Hon Poto Williams
Hon Damien O'Connor
Hon Stuart Nash
Hon Kris Faafoi
Hon Willie Jackson
Hon Michael Wood
Hon Kiri Allan
Hon Dr David Clark
Hon Meka Whaitiri
Hon Phil Twyford
Rino Tirikatene MP
Dr Deborah Russell MP

Officials present from:

Office of the Prime Minister
Officials Committee for DEV