



## COVERSHEET

<b>Minister</b>	Hon Michael Wood	<b>Portfolio</b>	Immigration
<b>Title of Cabinet paper</b>	Investor migrants policy settings	<b>Date to be published</b>	7 October 2022

<b>List of documents that have been proactively released</b>		
<b>Date</b>	<b>Title</b>	<b>Author</b>
May 2022	<i>Investor migrants policy settings</i>	<i>Office of the Minister of Immigration</i>
9 May 2022	<i>CAB-22-MIN-0162.01 Minute</i>	<i>Cabinet Office</i>
10 December 2021	<i>2122-2175 Potential enhancements to the Active Investor Plus visa</i>	<i>Ministry of Business, Innovation and Employment</i>
16 December 2021	<i>2122-1943 Active Investor Plus visa: potential design changes</i>	<i>Ministry of Business, Innovation and Employment</i>
4 March 2022	<i>2122-2596 Investor migrant attraction and aftercare services</i>	<i>Ministry of Business, Innovation and Employment</i>
18 March 2022	<i>2122-2969 Investor migrants policy settings – draft Cabinet paper for Ministerial consultation</i>	<i>Ministry of Business, Innovation and Employment</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 and privacy of natural persons.



# Cabinet

## 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.*

### Investor Migrants Policy Settings

**Portfolios**                      **Economic and Regional Development / Immigration**

On 9 May 2022, following reference from the Cabinet Economic Development Committee (DEV), Cabinet:

#### Background

- 1 **noted** that on 11 August 2021, DEV agreed to create a new Active Investor Plus visa category for experienced high-value investors, with a \$25 million investment threshold and a weighting system that gave preference to more risky but more impactful areas [DEV-21-MIN-0162];
- 2 **noted** that global competitiveness for talent and capital has increased markedly since August 2021, with the re-opening of many economies now complete and attractive alternatives offered to would-be investor migrants;
- 3 **noted** that stakeholders have suggested that the visa be made more attractive to active investors by better reflecting the changing market environment and context (particularly other countries 'being open for business') and aligning with international peers, particularly Australia;

#### Targeting investor visa settings to encourage active investment

- 4 **agreed** to the following revisions to the settings for the Active Investor Plus visa:
  - 4.1 incentivise direct investment over indirect investment through the weighting system, as follows:

Investment category	Weighting
<b><i>Indirect investments</i></b>	
Listed equities (i.e. NZX) (50% cap)	1x
Philanthropy (50% cap)	1x
Acceptable seed, VC, PE funds (including alternative listed equities)	2x
<b><i>Direct investments</i></b>	
Acceptable direct investment	3x

- 4.2 reduce the minimum investment threshold from \$25 million to \$15 million, or weighted equivalent (with the most active type of investment requiring \$5 million);

- 4.3 improve flexibility for the investor by allowing investors to invest over a three-year investment period (and maintain their investments up to the end of a fourth year);
  - 4.4 require investor migrants to spend at least 117 days in New Zealand over the four-year investment period;
  - 4.5 limit the scope for passive investment by imposing a cap on listed equities;
- 5 **agreed** to the following criteria for assessing whether funds or programmes should be acceptable investments:
- 5.1 investments are into New Zealand entities that clearly contribute to the government's economic strategy (by being high growth potential firms or contributing to positive social and economic impacts);
  - 5.2 proper verification is conducted to ensure that the business is legitimate (this is not a test of its financial health and growth potential, which is for the investor to ascertain);
  - 5.3 investments do not prejudice New Zealand's reputation as a responsible member of the world community;

## Implementation

- 6 **noted** that New Zealand Trade and Enterprise (NZTE) will play a larger supporting role in the Active Investor Plus visa, including being the steward of determining what is an acceptable investment, as this aligns with NZTE's expertise and function;
- 7 **authorised** the Minister for Economic and Regional Development and the Minister of Immigration to finalise any remaining details for the Active Investor Plus visa;
- 8 **authorised** the Minister for Economic and Regional Development, the Minister of Research, Science and Innovation, and the Minister of Immigration to make any changes to the system to identify acceptable investments, consistent with the criteria outlined in paragraph 5 above;
- 9 **authorised** the Minister of Immigration to give effect to the above paragraphs through certifying changes to immigration instructions;
- 10 **directed** officials to undertake an implementation review of the Active Investor Plus visa 12 months after it goes live;
- 11 **invited** the Minister of Immigration to report back to Cabinet on the outcomes of the review in paragraph 10;
- 12 **directed** officials to undertake an impact evaluation of the Active Investor Plus visa five years after it goes live, and to report back to DEV on the outcome of that evaluation.

Michael Webster  
Secretary of the Cabinet

*Secretary's Note: This minute replaces DEV-22-MIN-0098. Cabinet agreed to amend paragraph 10 and add paragraph 11.*