

Significant Investor Visa

May 2012

On Friday 25 May 2012 the Minister for Immigration and Citizenship, Chris Bowen, and the Minister for Financial Services and Superannuation, Bill Shorten, announced a new stream of visa, the Significant Investor visa. The Significant Investor visa has been introduced as part of a broader reform of the Business Skills Program, which will now be known as the Business Innovation and Investment Program.

Similar schemes are currently operational in Singapore, Canada, New Zealand and the United Kingdom.

The Ministers' Press release is available [here](#).

The Significant Investor Visa

The Significant Investor visa will provide concessional treatment in permanent residency applications for people who make an investment of at least \$5 million in the Australian economy. In return for investing in state and territory bonds, managed funds, or directly into Australian companies, investors will be offered concessions on the usual visa requirements, including the points test and residence requirements.

The Significant Investor visa will operate as a stream of both the Business Innovation and Investment (Provisional) (subclass 188) visa and the Business Innovation and Investment (Permanent) (subclass 888) visa.

Applicants for this visa must:

- submit an Expression of Interest in SkillSelect
- be nominated by a state or territory government
- make an investment of at least AUD5 million into state or territory government bonds, Australian Securities and Investment Commission (ASIC) regulated managed funds with a mandate for investing in Australia and/or direct investment into Australian companies
- meet a lower residence requirement while on the Business Innovation and Investment (Provisional) (subclass 188) visa.

The investment must be held in the name of the applicant, or their spouse or de facto partner. The investment cannot be held in superannuation.



Benefits to the Australian Economy

The Significant Investor visa will create a new source of investment capital and increase the pool of funds managed locally. It is expected to promote growth in areas such as financial planning, fund administration, stockbroking, accounting and funds management.

It is anticipated that the new stream of visa will attract considerable interest from across Asia, and in particular from China. [The China Private Wealth Report 2011](#) cites that the private wealth market of China is ever increasing and that approximately 47 per cent of ultra-high net worth individuals who have investable assets of at least \$15 million, are considering an application for investment immigration.

Implementation

The Significant Investor visa will be introduced in the 2012-13 program year. The visa is expected only to attract a relatively small number of individuals – in the hundreds – however there will be a disproportionately high benefit to the Australian economy, given the size of each individual's investment.

In announcing the new stream of visa, Minister Bowen said that the Government would not be promoting the visa directly, but that he expected the Australian financial services industry would be actively promoting it to potential clients throughout the world.

SkillSelect

The implementation of the Significant Investor Visa will coincide with the launch of SkillSelect on 1 July 2012. SkillSelect is the new Expression of Interest skilled migration selection process that aligns the best available prospective migration candidates with the fluctuating demands of the labor market, or the needs of individual states or territories.

As part of the introduction of SkillSelect sponsors and visa applicants will be able to apply for a Business Innovation and Investment visa online.

For more information visit the SkillSelect website <http://www.immi.gov.au/skills/skillselect/>

Response

There has been considerable industry support following the announcement of the new stream of visa. [Migration Institute of Australia \(MIA\)](#) welcomed the Significant Investor visa as a valuable measure allowing Australia to attract entrepreneurially minded migrants interested in investing in the country.

[Australian Financial Markets Association](#) said that the new stream of visa is a step in the right direction for encouraging capital investment and will increase the attractiveness of Australia as a destination for business people and investors.



[The Self Managed Superannuation Fund Professionals' Association of Australia \(SPAA\)](#) also welcomed the announcement, noting that there would be considerable flow-on benefits for professional services such as accountants, auditors, actuaries, lawyers and financial planners.

More information on the Significant Investor Visa and the Business Innovation and Investment Program is available on the [Department of Immigration and Citizenship's website](#). Further details on the Significant Investor visa stream will be available closer to the date of implementation.