

## Questions about investment funds

### What are the requirements for investment funds?

You must demonstrate ownership of your nominated funds and/or assets, and demonstrate that the nominated funds and/or assets have been legally earned or acquired. All invested funds must be placed in an acceptable investment(s).

### Can I nominate funds that have been gifted to me?

You may nominate funds and/or assets which have been given to you unconditionally and in accordance with local law. You will need to show that your donor acquired those funds and/or assets lawfully.

If some of your funds and/or assets have been acquired by inheritance you will need to provide appropriate evidence, eg probate or evidence from your solicitor, to show that they were acquired lawfully.

### Can I invest my nominated funds through a New Zealand trust under the Migrant Investment categories?

New Zealand trusts may be an acceptable method to manage your investment. However, all trusts will be assessed on a case-by-case basis. You should provide all trust documents to Immigration New Zealand for assessment on whether they meet the criteria.

Remember that it is ultimately for you to satisfy Immigration New Zealand about the acceptability of your investment.

### What sort of New Zealand trusts may be acceptable under the Migrant Investment categories?

You must be able to demonstrate 'ownership' of the nominated funds or assets. If the nominated funds or assets are invested as trust property, you will have to be a trustee of the New Zealand trust.

### Can there be more than one trustee?

You must be a trustee of the New Zealand trust. You must also have the power to remove and appoint trustees under the trust deed. New Zealand trusts with more than one trustee will only be acceptable to Immigration New Zealand if the other trustees include one or more of the following.

- ▶ Your partner who is included in the application for residence.
- ▶ Your dependant(s) who is/are included in the application for residence.
- ▶ A New Zealand solicitor with a current practising certificate, acting in a professional capacity.

### What is an acceptable investment?

An acceptable investment means an investment that:

- ▶ is capable of a commercial return under normal circumstances, and
- ▶ is not for the personal use of the applicant(s) (see What is meant by personal use of investment funds? below), and
- ▶ is invested in New Zealand in New Zealand currency, and
- ▶ is invested in lawful enterprises or managed funds that comply with all relevant laws in force in New Zealand (see Managed funds below), and
- ▶ has the potential to contribute to New Zealand's economy, and
- ▶ is invested in either one or more of the following:
  - bonds issued by the New Zealand government or local authorities, or
  - bonds issued by New Zealand firms traded on the New Zealand Debt Securities Market (NZDX), or
  - bonds issued by New Zealand firms with at least a BBB- or equivalent rating from internationally recognised credit rating agencies (for example, Standard and Poor's), or
  - equity in New Zealand firms (public or private including managed funds), or
  - bonds issued by New Zealand registered banks, or

- equities in New Zealand registered banks, or
- residential property development(s) (see Residential property development below), or
- bonds in finance companies.

**Note:**

- For the purposes of these instructions, convertible notes are considered to be an equity investment.
  - New Zealand registered banks are defined by the New Zealand Reserve Bank Act 1989.
- ▶ Where an investment fails to meet one of the acceptable investment requirements, we may consider, on a case by case basis, whether the failure was beyond the control of the principal applicant and if satisfied that this was the case, may consider the investment acceptable.
- ▶ We may consider bonds in finance companies as an acceptable investment where the finance company:
- is a wholly-owned subsidiary of,
  - raises capital solely for, and
  - has all its debt securities unconditionally guaranteed by a New Zealand Stock Exchange listed company or a local authority.

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**Note:** The value of an investment is based on the net purchase price (for example, less any accrued interest, commission, brokerage and/or trade levy), not on the face value of the investment.

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## What is meant by personal use of investment funds?

Personal use includes investment in assets such as a personal residence, car, boat or similar.

## Managed funds

For the purposes of this category, managed funds are defined as either:

- ▶ a managed fund investment product offered by a financial institution, or
- ▶ funds invested in equities that are managed on an investor's behalf by a fund manager or broker.

In order to be acceptable as a form of investment managed funds must be invested only in New Zealand companies. Managed fund investments in New Zealand with international exposure are acceptable only for the proportion of the investment that is invested in New Zealand companies.

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**Example:** Only 50 per cent of a managed fund that equally invests in New Zealand and international equities would be deemed to be an acceptable investment.

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## Residential property development

For the purposes of these instructions, residential property development(s) is defined as property(ies) in which people reside and is subject to the following conditions:

- ▶ the residential property must be in the form of new developments on either new or existing sites, and
- ▶ the residential property(ies) cannot include renovation or extension to existing developments, and
- ▶ the new developments must have been approved and gained any required consents by any relevant regulatory authorities (including local authorities), and
- ▶ the purpose of the residential property investments must be to make a commercial return on the open market, and
- ▶ neither the family, relatives, nor anyone associated with the principal investor, may reside in the development, and
- ▶ the costs associated with obtaining any regulatory approval (including any resource or building consents) are not part of the principal applicant's acceptable investments.

## Deposit taking financial institutions

For the purposes of these instructions, a deposit taking financial institution is an institution that carries on the business of borrowing and lending money, or providing financial services, or both.

**If my application for residence is approved in principle, within what timeframe do I have to invest my funds in New Zealand?**

You should transfer your total investment funds to New Zealand and invest them in acceptable investments within 12 months of approval in principle.

The investment period can be extended on request for up to a further 12 months if you cannot liquidate your assets, transfer and invest your funds in New Zealand within 12 months of approval in principle. Extension of the investment period can only occur following demonstration of reasonable attempts to transfer the nominated investment funds to New Zealand within the first 12 months.

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

**Can I come to New Zealand to investigate investment opportunities once my application has been approved in principle?**

Once your application is approved in principle you are eligible for a 12-month multiple entry work visa to come to New Zealand to investigate investment opportunities.

If applicable, your partner and children are eligible for multiple entry visitor visas for the same period. If your children wish to study during this period they will have to apply for a student visa and meet the relevant requirements under immigration instructions.

A further 12-month multiple entry work visa is available if needed.