



NEW ZEALAND  
IMMIGRATION



## Acceptable investment for Migrant Investment Categories

If you're interested in combining business with lifestyle by gaining an investor visa, the opportunities you take up must fit the 'acceptable investment' criteria.

An acceptable investment is an investment that:

- › is capable of a commercial return under normal circumstances
- › is not for the personal use of the applicant(s) (see What is meant by personal use of investment funds? below),
- › is invested in New Zealand in New Zealand currency
- › 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.

To be considered acceptable, an investment must also be made 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, or
- › eligible New Zealand venture capital funds.

### Note:

- › For the purposes of these categories, convertible notes are considered to be an equity investment.
- › New Zealand registered banks are defined by the *New Zealand Reserve Bank Act 1989*.



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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 the 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.

## Residential property development

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 the 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

A deposit-taking financial institution is an institution that carries on the business of borrowing and lending money, or providing financial services, or both.

## Finance Companies

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.

## Venture capital funds

This is a fund that invests capital in an early-stage or start-up company(s) in exchange for an equity stake. For a venture capital fund investment to be deemed acceptable, nominated funds can be placed in approved on-call accounts or venture capital funds that meet certain conditions:

- › applicants must have entered into a binding fund investment contract with an approved venture capital fund manager and into an approved fund structure (for example a New Zealand limited partnership), to supply an agreed amount of funds as committed capital; and
- › the committed funds are a fixed commitment, managed on an applicant's behalf by a fund manager or broker, to be drawn down over a stated period; and
- › nominated funds can either be committed to an acceptable investment or placed into approved on-call accounts; and
- › applicants must maintain a level of funds in any approved on-call account equal to the nominated amount minus any funds already committed to the venture capital fund; and
- › applicants must be able to demonstrate that all funds placed into on-call accounts are in those accounts pending call-up by their nominated venture capital fund.

## Failure to meet Acceptable Investment requirements

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.

## More Information

For more information about investing in New Zealand, or to register your interest, go to [www.newzealandnow.govt.nz/invest](http://www.newzealandnow.govt.nz/invest).

Or visit [www.immigration.govt.nz/invest](http://www.immigration.govt.nz/invest) for full details and application requirements.

### 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.

This fact sheet is a guide only, designed to provide an overview of the acceptable investment criteria for investors and business people wishing to reside in New Zealand. It should not be used as a substitute for legislation, or for legal or other expert advice.