

New Zealand Residence-by-Investment Program

New Zealand is one of the world's most stable and well governed nations and offers an attractive destination for investment, business and raising a family. The country is consistently ranked in the top 10 in terms of protecting investors, starting a business and for ease of doing business. New Zealand also recently ranked 4th by the Corruptions Perception Index for government transparency and lack of corruption.

With a population of approximately 4.5 million people, New Zealand is one of the least densely populated countries in the world and has therefore become an attractive jurisdiction to relocate tax residency for numerous reasons including

no gift/estate/wealth tax or capital gains tax, an extensive tax treaty network and a sound legal system based upon English law.

HSBC's 2015 Expat Explorer survey ranked New Zealand 2nd in the world for work-life balance and 1st for 'Quality of Life'. The United Nations ranks New Zealand 9th out of 187 countries on its 2015 Human Development Index.

Compared to most countries in the world, New Zealand offers a great work-life balance with world-class education and healthcare systems.



Requirements

New Zealand has an immigration and investment policy that provides the opportunity for foreign nationals to obtain permanent residence in New Zealand through making a substantial investment into the country.

This can be achieved through investing between NZD 3 million (Investor 2 Resident Visa) and NZD 10 million (Investor 1 Resident Visa) in acceptable investments and maintaining these investments in New Zealand for at least two years. Applicants must also meet the minimum annual residence requirements after the transfer of funds of between 44 days (Investor Plus) and 146 days (Investor).

The Investor 2 Resident Visa is for experienced business people who have a minimum of NZD 2.5 million in available funds or assets. The applicant must invest NZD 3 million and must keep the nominated funds invested in an acceptable investment in New Zealand for four years. Applicants must be 65 years or younger and there is an annual quota of up to 300 residence applications per year. The Investor 2 Resident Visa allows applicants to live, work and study in New Zealand and applications can include the spouse and dependent children aged 24 and under. A points-based system is used to assess eligibility for Investor 2 Resident Visas. Successful applicants must spend at least 146 days in each of the last three years of the four-year investment period in New Zealand. There is an English language requirement for the applicants who are required to have an English speaking background; or an International English Language Testing System test report with an overall band score of three or more; or to be a competent user of English.

In terms of the Investor 1 Resident Visa, the applicant must invest NZD 10 million in New Zealand over a three-year period in order to apply for New Zealand residence. The Investor 1 Resident Visa allows applicants to live, work and study in New Zealand and applications can include the spouse and dependent children aged 24 and under. This visa has no maximum age limit, no language requirement and nor does it any business experience. Successful applicants

must spend at least 44 days in each of the last two years of the three-year investment period in New Zealand.

Acceptable investment means an investment that is capable of a commercial return; is not for the personal use of the applicant(s); is invested in New Zealand in NZD; is invested in lawful enterprises or managed funds; and has the potential to contribute to the economy.

Acceptable investments include bonds issued by the New Zealand government or local authorities; firms traded on the New Zealand Debt Securities Market; firms with at least a BBB or equivalent rating; registered banks; or finance companies. Investments can also be made in equity in New Zealand firms (public or private including managed funds); registered banks as well as residential property development(s). Applicants can nominate a mix of funds and/or assets to invest into.

Procedures and Time Frame

The process for the Investor 2 Resident Visa is initiated by first sending an Expression of Interest (EOI) to Immigration New Zealand outlining the applicant's business experience, investment and settlement funds. If the EOI is successful, the applicant and any spouse and/or dependents are invited to apply for New Zealand residence. Invites are generally issued within two weeks of lodgment of an EOI. Once invited to apply, the applicant will have four months to send the application.

An approval in principle is usually given within three months but is reliant on the quality of information provided as well as security and health checks. Immigration New Zealand will only approve in principle, they will not issue the visa until the funds have been transferred and invested and evidence of this is submitted to Immigration. The Resident Visa may then be issued within two to four weeks. Evidence that the invested funds have been maintained will be required at the end of the second and fourth years that the applicant resides in New Zealand.

In terms of the Investor 1 Resident Visa, applicants lodge an application directly for the Resident Visa. The application





is generally allocated to case officers within two weeks of receipt for immediate assessment. An approval in principle is usually given within three months depending on the quality of information provided as well as security and health checks. Again, Immigration will only approve in principle and will not issue the Resident Visa until the funds have been transferred and invested and evidence of this is submitted to Immigration, after which, the Resident Visa will be issued within two to four weeks.

Successful applicants can travel in and out of New Zealand for the first two years of the investment period. If all of the conditions that apply to the first two years of the investment period are met, the applicant can apply for a variation of conditions to allow travel in and out of New Zealand for another two years. If all the conditions at the end of the three-year investment period are met, the applicant and family members can apply for a permanent resident visa.

Investors who have previously obtained residence under either of the above investor programs are eligible for New Zealand citizenship when they have spent at least 1,350 days in New Zealand with residence during the preceding five years; and at least 240 days in New Zealand with residence in each of the preceding five years.

Dual Citizenship

There are no restrictions on dual citizenship in New Zealand.

Taxation

The Inland Revenue Department is the government department that collects taxes in New Zealand. Individuals have to pay taxes and are considered a tax resident in

New Zealand if physically residing there for more than 183 days within a 12-month period, or if they have an ongoing relationship with New Zealand.

New Zealand has negotiated double tax agreements with many other countries to prevent individuals from being taxed twice. Individuals may also qualify for a tax exemption on certain foreign income. Taxes on New Zealand sourced income are deducted each pay period and this system is called PAYE or pay-as-you-earn. In New Zealand the tax rate is a graduated scale up to a maximum of 33%. The corporate tax rate is 30% and New Zealand has a goods and services tax of 15% that is levied on all goods and services other than financial services. Property tax is only levied on individuals that are in the business of developing properties. Homeowners are charged yearly rates as assessed by the local council and depend on the area of residence.

New Zealand has no capital gains tax and no estate duty.

Key Advantages

- High standards of living, multicultural and low population density
- Political, social and economic stability
- Solid legal system based upon English law
- New Zealand citizens enjoy visa-free access to 172 countries around the world
- Strong tax treaty network with a wide number of counter parties

Henley & Partners is the global leader in residence and citizenship planning. Each year, hundreds of wealthy individuals, families and their advisors rely on our expertise and experience in this area. Our highly qualified professionals work together as one team in over 25 offices worldwide.

The concept of residence and citizenship planning was created by Henley & Partners in the 1990s. As globalization has expanded, residence and citizenship have become topics of significant interest among the increasing number of internationally mobile entrepreneurs and investors whom we proudly serve every day.

The firm also runs a leading government advisory practice which has raised more than USD 6 billion in foreign direct investment. We have been involved in strategic consulting and the design, set-up and operation of the world's most successful residence and citizenship programs.

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