



Source of funds for the Complying Significant Investment – Policy Clarifications

The Business Innovation and Investment (Provisional) visa (subclass 188) - Significant Investor (SIV) stream is for people who are willing to invest at least AUD5 million into complying significant investments in Australia and want to maintain business and investment activity in Australia. The funds being used to make the investment must be unencumbered and lawfully acquired.

The Department applies robust integrity and compliance measures in its management and delivery of the SIV program, and emerging issues are addressed as they arise to ensure that they do not develop into subsequent integrity risks.

The use of gambling proceeds and gifts from unrelated parties as the source of funds for the Complying Significant Investment (CSI) present unacceptable risks to the SIV program which have warranted clarifications from a policy perspective. This updated advice aims to assist visa processing officers in their decision making as well as provide clarity to stakeholders.

Funds sourced from gambling

Gambling gains will not be accepted as meeting the lawfully acquired and unencumbered requirements. This is due to the high incidence of money laundering associated with gambling activity, the difficulties in determining an applicant's net gain or loss from such activities, and the difficulty in tracing source of funds received through gambling wins. Gambling gains may include money obtained from casino games and odds betting on sports and horse or greyhound racing.

Funds sourced from gifting

While applicants may nominate funds and/or assets which have been gifted to them for the CSI, in order for such gifts to be considered as meeting the lawfully acquired and unencumbered requirement:

- decision makers are required to make an assessment on the bona fides of the gifting arrangement, and where doubts exist as to the unconditional nature of the gifting arrangement, notwithstanding official documents being provided to evidence the gifting transaction (e.g. a formal gift deed), decision makers have the discretion to refuse the application based on such doubts
- in most instances, where the relationship between the person gifting the funds/assets and the receiver of the gift is not of a parent/child relationship, it will not be accepted that the purported gifting arrangement is one with no obligation to pay back
- decision makers must be satisfied with the lawfulness of the gifted funds by making relevant enquiries into the generation of such funds by the person gifting the funds
- the person gifting the funds and/or the assets must own those funds or assets
- the person gifting any loans borrowed from a financial institution must own the security over which the loan is pledged.

Does this affect current applications?

This advice sharpens the focus of an existing policy position and therefore may be considered applicable to cases on hand.

Relevant Procedures Advice Manuals and Policy Instructions will be updated accordingly.

Issued by:

Director

Skilled and Migration Program Section

Skilled and Family Visa Program Branch | Immigration and Visa Services Division

Visa and Citizenship Services Group

Department of Home Affairs

17 April 2019