

# Frequently Asked Questions about Changes to Complying Investments for the Significant Investor Visa and the Addition of the Premium Investor Visa

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## What are the Significant and Premium Investor visas?

The Significant Investor visa is a stream within the Business Innovation and Investment (Provisional) (Subclass 188) visa and the Business Innovation and Investment (Permanent) (Subclass 888) visa.

The purpose of the visa is to provide a boost to the Australian economy and to compete effectively for high net worth individuals seeking investment migration. SIV holders are required to invest AUD5million into complying investments for a minimum of four years before being eligible to apply for a permanent visa.

The Premium Investor visa (PIV) will be created as a new stream within the Business Innovation and Investment (Provisional) (Subclass 188) visa and the Business Innovation and Investment (Permanent) (Subclass 888) visa on 1 July 2015.

The purpose of the Premium Investor visa is to attract high net worth individuals to contribute their entrepreneurial skill or talent to Australia. The Premium Investor visa will require applicants to invest AUD15million into complying investments for a minimum of twelve months before being eligible to apply for a permanent visa.

## Am I allowed to engage another person to manage my complying investments?

Yes, you are allowed to engage another person to manage your complying investment.

As a holder of a Significant Investor visa or a Premium Investor visa you do not have to be directly involved in managing your complying investment.

## Are there requirements around the source of funds I am going to use to make the complying investment?

Yes. You need to be able to prove that the assets or funds you use for your complying investment are unencumbered and lawfully acquired.

When you apply for this visa you will need to provide a statement that identifies your ownership as well as the value of assets that you want to use to fund your complying investments. The value of these assets must be at a minimum of AUD5 million for the Significant Investor visa, and AUD15 million for the Premium Investor visa.

## Can current investments (investments prior to application for the visa) be counted towards the AUD5million complying investment?

No. From 1 July 2015, applicants for Significant Investor visas and Premium Investor visas will be required to make a new investment to be eligible for the subclass 188 visa. The investment should be made once an applicant is advised by the Department to make the investment.

## Do I still have to hold complying investments once I am granted a permanent Significant Investor visa or Premium Investor visa?

If you are granted a permanent Significant Investor visa or Premium Investor visa, you can decide for yourself what you want to do with your complying investments. To be granted a permanent Significant Investor visa or Premium Investor visa, you must genuinely have a realistic commitment to maintain business or investment activities in Australia. The Government has made it clear that, in relation to complying investment requirements for the Significant Investor visa, the mandatory investment into eligible Venture Capital growth Private Equity funds may be for investment terms that are greater than the provisional visa period.

## Can I encumber my complying investment?

No. The funds used to make your complying investment must be unencumbered. If you apply for a Significant Investor visa or Premium Investor visa from 1 July 2015, your investment must remain unencumbered for the duration of your provisional visa.

## Can I extend my Significant Investor visa?

Yes, if you meet the requirements for the Significant Investor Extension stream you are able to apply for another provisional Significant Investor visa. You will be able to apply for a maximum of two additional provisional visas in the Significant Investor Extension stream, bringing the maximum total period you could be on a provisional Significant Investor visa to eight years.

## Can I extend my Premium Investor visa?

No. Premium Investor visas may not be extended. The duration of a provisional Premium Investor visa is four years and three months. Premium Investor visa holders can apply for the subclass 888 permanent Premium Investor visa after twelve months, or they can remain on a provisional Premium Investor visa for up to four years and three months and apply for the subclass 888 at any time after having held their visa for twelve months, provided they maintain their complying investment.

## How do Australian State or Territory governments or Austrade nominate applicants?

Once you lodge an Expression of Interest in SkillSelect, it can be viewed and a State or Territory government or Austrade on behalf of the Commonwealth, depending on who you select in your EOI. They can decide whether to nominate you to apply for a visa. All nominators have their own criteria for deciding which applicants they will nominate. In some cases before you are nominated, the relevant State or Territory government or Austrade will contact you to discuss investment possibilities. Note that the Austrade website link for nominations will be live from 1 July 2015, until that time any enquiries in relation to Austrade nomination should be forwarded to [investorvisas@austrade.gov.au](mailto:investorvisas@austrade.gov.au).

- [Australian Capital Territory](#)
- [New South Wales](#)
- [Northern Territory](#)
- [Queensland](#)
- [South Australia](#)
- [Tasmania](#)
- [Victoria](#)
- [Western Australia](#)

## How do I extend my provisional Significant Investor visa?

To be eligible to be granted another Significant Investor visa, you need to be nominated by a State or Territory government or Austrade and have continuously held your complying investment for the life of your previous provisional Significant Investor visa. You can apply online using the Department's electronic lodgement system.

At the time of application, you must have held a provisional Significant Investor stream visa for at least three years or have not held more than one provisional visa in the Significant Investor Extension stream.

The complying investment framework in force when you applied for your initial Significant Investor visa will continue to apply to you for the duration of any extension stream visas you are granted following the provisional visa.

## How do I prove that the managed funds I invest in meet the visa requirement to be classified as a complying investment for the Significant Investor visa?

To prove that the managed funds you invest in have invested in complying investments for the purposes of the SIV, the responsible manager of the relevant managed fund must make a declaration in Form 1413 that their services would be limited to the categories of investments in Australia specified by the Minister in the legislative instrument.

This declaration will be required for each managed fund you invest in.

Form 1413 is available [here](#).

## If I am nominated by a specific Australian State or Territory, am I allowed to move to a different State or Territory?

When you are nominated by a State or Territory for a provisional Significant Investor visa, it is the expectation of the Department and the State or Territory government that has nominated you that you have a genuine intention to reside in their jurisdiction.

If you are nominated by Austrade and are granted a visa, you will be able to reside anywhere in Australia.

## Is it possible to invest in residential real estate?

No. Direct investments in residential real estate, will not be considered a complying investment for a Significant Investor visa or a Premium Investor visa.

For applicants who apply from 1 July 2015, indirect investment in residential real estate will be limited to less than 10% of a vehicle's net assets. The Government will continue to focus on areas which meet with its publically stated objectives for the Significant Investor visa and Premium Investor Visa.

## Is there a guaranteed return on my complying investments?

The complying investment framework is designed to maximise the benefit of investments for the Australian economy, not to ensure visa holders get a return on their investments. We cannot guarantee any return on your complying investment.

Investing in complying investments involves risk. You could get back less money than you put in. You could also lose all your money. You may be locked into a contract that lasts longer than the term of your provisional visa. You should always get professional legal and financial advice before you invest.

## What are complying investments for the Significant Investor visa?

From 1 July 2015, complying investments for applicants for a Significant Investor visa include:

- At least AUD500,000 in eligible Australian venture capital or growth private equity fund(s) investing in start-up and small private companies. Note the Government expects to increase this to \$1million for new applications within two years as the market responds;
- At least AUD1.5 million in an eligible managed fund(s) or Listed Investment Companies (LICs) that invest in emerging companies listed on the Australian Securities Exchange (ASX); and,
- A 'balancing investment' of up to AUD3 million in fund(s) or LICs that invest in a combination of eligible assets that include other ASX listed companies, eligible Australian corporate bonds or notes, annuities and real property in Australia (subject to the 10% limit on residential real estate).

Visa applicants may change between complying investments, provided they continue to meet the proportions outlined above and meet specified reinvestment requirements.

## What are complying investments for the Premium Investor visa?

The scope of eligible investments for the Premium Investor visa is investments in:

- An Australian managed fund
- Australian securities exchange listed assets
- Australian government or semi-government bonds or notes
- Corporate bonds or notes issued by an Australian exchanged listed entity (or wholly owned subsidiary of the Australian listed entity) or investment grade rated Australian corporate bonds or notes rated by an Australian Financial Services licenced debt rating agency
- Australian proprietary limited companies
- Real property in Australia (subject to the exclusion of direct investment in residential property and limit of 10% indirect investment in residential real estate as part of a fund's net assets)
- Annuities issued by Australian registered life companies that do not repay capital during the qualifying period
- State and territory government endorsed philanthropic donations

## What are my options if a State or Territory government or Austrade does not nominate me for a Significant Investor visa?

You must be nominated by a State or Territory government or Austrade in order to be eligible to apply for a Significant Investor visa.

## What is the process for being nominated for a Premium Investor visa?

The Premium Investor Visa will be available at the invitation of the Australian Government only, with potential applicants to be nominated solely by Austrade. State and Territory Governments will be able to play an important role in helping to identify potential applicants. Expressions of Interest for the Premium Investor visa will not be considered unless you have previously discussed your application with Austrade.

## What are the reinvestment requirements if I want to change between complying investments?

As the holder of a Significant Investor visa, you may switch between complying investments as long as the sum withdrawn corresponds with the sum reinvested and your complying investments still meet the required proportions. Proceeds from the realisation of investments in eligible venture capital growth private equity funds before the end of the provisional visa qualifying period are to be reinvested in complying funds (that is, any of the eligible elements, including VCPE, funds in emerging companies and funds in the balancing item).

Visa holders have a maximum period of 30 calendar days from the date the funds are withdrawn to reinvest in other complying investments. Funds reinvested into a complying investment within 30 calendar days are taken to have been held continuously from the original investment date.

## I applied for my Significant Investor visa prior to 1 July 2015. What complying investment rules apply to me?

The rules that were in force at the time that you applied for your Significant Investor visa will continue to apply for the duration of your provisional visa, including any extension stream visas you apply for that relates to that provisional visa.