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The ins and outs of immigration visas

Business › Money › Markets & Investing

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You can live anywhere in the world if you have enough money, writes Tiffany Ap

So you want to get out of Hong Kong. Perhaps you are tired of the crowds or the pollution. You dream of living in a country where the pavements are wide, the universities cheap and accessible and owning a house and garden is within the realm of possibility.

Plenty of Hongkongers left for Canada and Australia in the wake of June 4, 1989. Many quickly returned to Hong Kong, complaining their adopted countries were simply too boring.

If you are looking to get out, immigration visas are often the best option. With that in mind, *Money Post* breaks down what you need to apply to some of the more popular destinations. We also explain how to get an investor visa for Hong Kong.

\$12.4m
The amount (in HK dollars) needed to invest in a fund or scheme offered by a British-regulated institution to get a visa.

Investor visas can be divided into two categories. The first is an entrepreneur visa suited to those who want set up and run a business within that country. To qualify for this the applicant must point to a business track record, have lots of money and be able to prove that their investment would generate jobs or have other positive effects. Visas are decided case by case; applicants must persuade immigration officials that they would be good for the country economically.

Most people go for the second type of visa, which is aimed at passive investors. Here, people just need to have lots of cash. Many countries will grant residency based solely on bank balance.



John Hu (left), a migration consultant, says the most popular destinations for his Hong Kong clients are Australia, Britain, the United States and Canada. Most are not seeking business opportunities, he says.

"Most would like to send their children overseas, not necessarily to make more money outside," says Hu. "It may diversify their business but the main purpose is to live and study abroad. Children can enjoy education benefits ... or maybe they're seeking a more politically stable environment."

United States

For those looking for a slice of the American dream, the most popular investor visa plan goes under the heading of EB-5. To qualify, individuals must invest at least US\$1 million in a new business or US\$500,000 for businesses in rural or high-unemployment areas. The investment must either create or preserve at least 10 full-time jobs for US workers within two years. There is a quota of 10,000 visas a year, of which mainland investors claim as much as 70 per cent.

Eugene Chow, an immigration lawyer who helped process the first Hong Kong EB-5 application in 1991, says the US is attractive because the main applicant does not need a business background. "They can be a housewife or a student, as long as the source of funds is clean. If dad is a senior executive and the money is documented, he can stay in China to generate money while they live or study," he says.

Australia

Last November, the Australian government relaxed its visa requirements with a new investor scheme aimed at the very rich.

Called the Significant Investor Visa, it asks for A\$5 million (HK\$41 million) put into approved funds. The investor only needs to stay in the country for 160 days over four years to keep the visa valid. The scheme does away with English proficiency tests, which is good news for many Asian applicants. It does not screen for prior business experience, either.

For entry as an entrepreneur, Australia offers the Business Innovation stream. The applicant must demonstrate that she or he will add value to the economy, by exporting Australian goods, creating or maintaining at least two jobs, or introducing new technology. Once approved, the visa is valid for four years and is eligible for extension. In 2011, both the mainland and Hong Kong were in the top 10 suppliers of emigrants to Australia.

Canada

Canada experienced such demand for its investor and entrepreneur visas that it stopped accepting applications on July 1 last year. Between 2008 and 2011, about 17 per cent of applications were from Hong Kong or China. The investor scheme granted visas to those willing to make a five-year, C\$800,000 (HK\$6.3 million) commitment to a set list of government-approved, Canada-focused funds in addition to proving a net worth of C\$1.6 million and having business experience. Hu believes that, when the investor programme opens again, the required investment amount will double to C\$1.6 million.

Canada has two entrepreneur pathways. The first federal scheme is open to those who speak French or English, can show two years of business experience, a minimum net worth of C\$300,000 and own at least one third of a business that will create at least one job. The government is reviewing this programme as well which was designed in the 1970s and features such a low threshold that the backlog of applicants stretches to eight years at some visa offices.

There is also a Provincial Nomination Programme for entrepreneurs, which has not been suspended. Requirements for that vary from province to province, asking for a personal net worth anywhere between C\$250,000 and C\$800,000.

Hong Kong

Unlike the other destinations, Hong Kong's investor visa scheme is driven by those wanting to invest in the city. Hong Kong's low taxes, abundant human capital and position as a springboard to the mainland market entices many entrepreneurs. Investors who are willing to put HK\$10 million into one of a set of government-approved investment plans (generally Hong Kong or mainland-focused mutual funds) can apply for a visa under the Capital Investment Entrant Scheme (CIES). Real estate was excluded from CIES following a 2010 amendment, presumably on the view that HK\$10 million was too low a threshold.

Things aren't as simple for mainland applicants. In addition to the HK\$10 million investment, they are required to hold permanent residency in another country. This requirement was introduced to cap the influx of mainlanders, who made up 85 per cent of CIES applications last year.



However, because the government doesn't distinguish among third-party jurisdictions, mainland applicants are increasingly obtaining residency in places like Vanuatu, Gambia and Guinea-Bissau. They do not need to set foot in the country to become a permanent resident, says Stephen Barnes (left) of the Hong Kong Visa Centre. Last year, Gambian residency was listed on nearly 60 per cent of mainland applicants to the CIES plan.

Those wanting to run a business in Hong Kong can apply for an entrepreneur visa, which takes three to five months. Applicants must submit a business plan and show how their idea will have a positive impact, such as job creation. There is no minimum job-creation target; a handful seems to suffice.

David Lambert, who came from England to Hong Kong on an entrepreneurial visa to start a construction design company, says he expects to hire one person in the first six months and a second in the first year.

Stephen Mansfield, who was also got an investment visa, says: "Over the next 18 months ... I expect there to be three others working for this business."

Britain

Britain offers an investment visa aimed at people who can invest at least £1 million (HK\$12.4 million) in a fund or scheme offered by a British-regulated institution. Alternatively, the £1 million can come in the form of loans, provided the money was borrowed from a British-regulated institution and the person can prove a net worth of £2 million. Applicants do not need to hold a job or prove any proficiency in English.

Entrepreneurs must be able to speak English, possess a business background, create two full-time jobs or have a net worth of £200,000.

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