



COVERSHEET

Minister	Hon Erica Stanford	Portfolio	Immigration
Title of Cabinet paper	Changes to refresh New Zealand's business immigration settings	Date to be published	28 August 2025

List of documents that have been proactively released

Date	Title	Author
25 June 2025	Changes to refresh New Zealand's business immigration settings	Office of the Minister of Immigration
25 June 2025	ECO-25-MIN-0100	Cabinet Office
25 February 2025	REQ-0009526 Changes to the Entrepreneur Visa - Options for scope and timing	MBIE
6 March 2025	REQ-0010285 Review of the Entrepreneur Visa - proposals for consultation	MBIE
16 April 2025	REQ-0011616 Refresh of Entrepreneur Category - report back on consultation	MBIE
8 May 2025	REQ-0011624 Cabinet Paper Refreshing New Zealand's business immigration settings	MBIE
5 June 2025	REQ-0015408 Options for rescoping the design of the Business Investor Visa	MBIE
12 June 2025	REQ-0013827 Final Cabinet paper – Refreshing New Zealand's business investor visa settings	MBIE

Information redacted **YES**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Information has been redacted on the following grounds:

- International Relations (section 6(a))
- Privacy of natural persons (section 9(2)(a))
- Confidential advice to Government (section 9(2)(f)(iv))
- Free and frank expression of opinions (section 9(2)(g)(i))



BRIEFING

Changes to the Entrepreneur Visa: Options for scope and timing

Date:	20 February 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0009526

Action sought		
	Action sought	Deadline
Hon Erica Stanford Minister of Immigration	Agree to the scope and timing for changes to the Entrepreneur Visa.	24 February 2025

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Stacey O'Dowd	Manager, Immigration (Border and Funding) Policy	Privacy of natural persons	✓
Isaac Holliss	Principal Policy Advisor		
Nita Sullivan	Senior Policy Advisor		

The following departments/agencies have been consulted
MBIE Policy teams: Small Business, Investment, Innovation

Minister's office to complete:

☐ Noted

☐ Overtaken by Events

☐ Approved

☐ Needs change

☐ See Minister's Notes

☐ Declined

☐ Seen

☐ Withdrawn

Comments



BRIEFING

Changes to the Entrepreneur Visa: Options for scope and timing

Date:	20 February 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0009526

Purpose

To confirm the scope and timing for a refresh of the Entrepreneur Visa.

Executive summary

You have indicated you want to move quickly to improve the Entrepreneur Visa. Drawing on recommendations provided by the Immigration Advisor Reference Group (IARG), we provide two options for making these changes:

- Option A: a rapid option which implements most of the changes the IARG has recommended, with **Cabinet committee decisions targeted for 9 April 2025**. Although this option is fast, we do not expect the changes alone to meaningfully increase uptake of the visa.
- Option B: a slightly slower option which implements most of the changes, as well as streamlining and simplifying the visa, and introducing a straight-to-residence pathway, with **Cabinet committee decisions for 7 May 2025**. Although this option is slightly slower, we anticipate it will make the visa more attractive to applicants.

We agree with many of the IARG's proposed changes. We have proposed alternative approaches in several areas, including the minimum financial threshold for establishing new businesses, the visa duration and structure, and the residence offering.

In order to maximise the economic impact of the Entrepreneur Visa, it will be important to ensure the changes make it more appealing to potential applicants. Progressing Option B allows officials more time to propose a streamlined structure for this complex visa, which may improve the currently long processing times.

We seek your direction on your preferred option (between A and B above) and guidance on key policy choices.

Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

- a **Note** we have provided you with two options to progress changes to the Entrepreneur Visa
Noted
- b **Indicate** your preference between:
- i. **Option A** (Cabinet committee decisions by 9 April 2025)
Agree / Disagree / Discuss
- ii. **Option B** (Cabinet committee decisions by 7 May 2025)
Agree / Disagree / Discuss

- c **Discuss** your preferences on key policy choices at the next officials meeting on 24 February 2025:
- i. Whether to add an age limit
 - ii. Higher minimum financial thresholds for establishing new or buying existing businesses
 - iii. What constitutes an acceptable business investment
 - iv. The structure of the visa in terms of work and residence
 - v. Residence or permanent residence offering

Agree / Disagree / Discuss



Stacey O'Dowd
Manager, Immigration (Border and Funding) Policy
Employment, Skills and Immigration Policy,
MBIE

Hon Erica Stanford
Minister of Immigration

20 / 02 / 2025

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Background

1. The Entrepreneur Visa was created in 2014 to contribute to economic growth by enabling experienced businesspeople to grow or establish high-growth and innovative businesses with export potential in New Zealand.
2. Within the wider Going for Growth agenda, the recent changes you have announced to the Active Investor Plus (AIP) Visa (and to a lesser extent to Visitor Visas to allow people to work remotely in New Zealand) provides a timely opportunity to improve how the Entrepreneur Visa operates.

The current Entrepreneur Visa settings are not fit for purpose

3. Based on data sourced from 2014 to now, the visa has very low numbers of applicants, has a high decline rate, and applicants experience long processing times (see **Annex One**).
4. It is a complex application process to navigate and assess. A standard pathway involves as many as six different visa applications at various stages and processing times are also lengthy.
5. The economic benefits are unclear. Immigration New Zealand (INZ) reports that the applications it has received often either appear out of step with the New Zealand economy (e.g. banana firms, cinnamon groves), or are not what the policy may have intended when it was created (e.g. rubbish bin company, car yards). Many applications have a low level of invested capital, and the current points system allows for points gained for non-economic outcomes (e.g. age, location based outside Auckland), which may be acting as a discount on applications focussed on genuinely high-growth activity.
6. The visa is not well set up to respond to emerging succession issues in the New Zealand business market. MBIE's Small Business Policy team has advised that succession planning is a topic of concern for many small businesses, with ageing owners looking for potential buyers to support business continuity and succession. The long processing times are likely disincentivising applicants for this visa entering into a sale and purchase agreements for businesses.

Your objectives for changes to the visa

7. On 10 February 2025, you indicated your preference for a relatively targeted change to the visa settings in response to advice from the IARG, in order to:
 - **Objective 1:** Improve the operation of the visa, including lifting numbers of applicants, without diverting applications from the AIP Visa;
 - **Objective 2:** Better enable buying and selling of small New Zealand businesses to ensure continuity of employment;
 - **Objective 3:** Lift the amount of capital invested in New Zealand via the visa; and
 - We also propose the addition of a fourth key objective, **Objective 4:** Simplicity and clarity. This is an important factor in making the visa more attractive, easier to navigate for users, and easier to administer for INZ.

Key considerations and trade-offs

8. You have indicated you would like to move quickly to change the Entrepreneur Visa. We have prepared two pathways for change (see **Table 1** for detail):
 - a) Option A: a rapid option which implements most of the changes the IARG has recommended, with **Cabinet decisions targeted for 9 April 2025**. Although this option is fast, we do not expect the changes alone to meaningfully increase uptake of the visa.
 - b) Option B: a slightly slower option which implements most of the changes, as well as streamlining and simplifying the visa, and introducing a straight-to-residence pathway, with **Cabinet decisions for 7 May 2025**. Although this option is slower, we anticipate it will make the visa more attractive to applicants.
9. We are seeking your direction on which pathway you want to adopt and/or key policy choices. **Annex Two** contains detailed information of changes to settings proposed by the IARG, and some initial analysis by MBIE.
10. Regardless of which timeline you prefer, there are trade-offs when considering which changes to make, depending on which of the above objectives you want to prioritise.

Table 1: Summary of Options A and B

	Option A	Option B
Scope of change	Implementing most of the changes recommended by the IARG (see para 13 for areas where we offer an alternative).	Implementing most of the IARG's changes, plus improving the attractiveness of the visa by streamlining its structure and investigating a straight-to-residence offering.
Objective 1	Minor improvements to operation of the visa, but likely minimal increase to application numbers.	Significant changes to the operation of the visa and likely more significant increase in number of applicants.
Objective 2	Yes.	Yes, with more time to benchmark against what other countries do.
Objective 3	Yes, depending on numbers of applicants.	
Objective 4	Minimal changes.	Yes, due to streamlining visa structure.
Next policy advice briefing to you	6 March 2025	27 March 2025
Targeted consultation	10-14 March 2025	7 - 11 April 2025
Cabinet (ECO) decision	9 April 2025	7 May 2025

To move quickly, we recommend implementing some – but not all – of the IARG's proposals

11. Adopting the proposals of the IARG would speed up the change process, but a faster process allows less time for policy analysis and consultation.
12. Although we generally think the IARG's recommendations are workable, there are five areas where we recommend different approaches in **Table 2**, with an explanation of the proposals from paragraph 13.

Table 2: Alternative proposals

Setting	IARG recommendation	MBIE recommendation
Minimum financial threshold (for new business creation)	\$1 million	\$250,000
Age limit	No older than 55	No limit
Visa duration and structure	Visa duration up to 5 years (12 months + 4 years extension)	Initial 3-year work visa with the ability to apply for Residence, and offering a straight-to-residence pathway
Residence visa offering	Straight to Permanent Residence after Entrepreneur Work Visa	Regular approach (eligible for Permanent Residence after 3 years of Residence)
Changes allowed to the business plan	Unlimited changes	Further work to investigate how best to enable reasonable flexibility whilst not affecting visa processing efficiency.

Striking the balance between facilitation and potential risk

13. Making the visa settings more flexible (facilitation) may increase risk of fraud and misuse. For example, you may want to increase flexibility that applicants have when following their original business plan, which could better reflect business realities. However, this could also lead to applicants deliberately over-promising unrealistic plans in order to get the visa, then downgrading their plans later.
14. If you want the visa to enable the buying and selling of small New Zealand businesses, you could set one or all of;
 - a) a minimum number of jobs the business maintains (the IARG has recommended 5 jobs);
 - b) a minimum value of the business (the IARG has recommended \$1 million); or
 - c) a minimum annual turnover.
15. We note that Small Business Policy has advised that a business valued at \$1 million is likely to only have maximum 1-3 employees. A \$2 million valuation could be associated with 3-5 employees.
16. An approach like this simplifies requirements, and so could increase the number of applications. However, it could introduce a risk where fraudulent businesses are created and then sold to applicants, or if businesses are repeatedly sold and re-sold to new migrants to provide a visa pathway to New Zealand. To manage this risk, you could require businesses demonstrate they are genuine (e.g. they have operated for at least a certain number of years), and preclude businesses being resold for immigration purposes.
17. Furthermore, none of these three criteria ensures that the economic activity is particularly high-value for New Zealand's economy. You could exclude certain business types or sectors from being eligible to purchase (e.g. low-value retail) or incentivise high-value sectors.
18. The IARG has recommended raising the minimum threshold for establishing a new business under this visa to \$1 million. Based on the level of capital being invested by current applicants (average proposed investment of \$227,000) we think this would be too restrictive and instead recommend a minimum level of \$250,000.
19. These requirements would mitigate potential risks but add complexity for applicants and INZ.

Amount of change required to genuinely lift visa volumes

20. Although you have indicated you want this process to move quickly, we think that the changes we can implement in Option A (Cabinet committee decisions by 9 April 2025) will not meaningfully increase numbers of applicants. The IARG has recommended a direct-to-Permanent Residence option. Although this would make the visa more attractive, we recommend you do not take that approach.
21. To increase the number of applicants, we recommend simplifying the way the visa is structured, and offer a direct-to-residence option.
22. With that in mind, Option B (Cabinet committee decisions by 7 May 2025) includes a more substantial redesign of the Entrepreneur Visa process, as well as incorporating many of the IARG's proposals. This option would lift the attractiveness of the visa by introducing a:
 - a) simplified pathway structure for the visa; and
 - b) direct-to-residence pathway for high-value applicants (e.g. investing \$2 million).
23. These changes are expected to improve processing times because the visa pathway would be more streamlined. Refreshed communications, including promotion through Invest New Zealand, could also lead to increased applicants the visa is seeking to attract.
24. Option B includes a straight to residence pathway similar to the AIP, which has a minimum investment threshold of \$5 million. The key difference between the two pathways is that the Entrepreneur visa requires the applicant to work actively in the business. If there is an option to offer straight to residence, we could consider adding section 49 conditions to require applicants to remain active in the business and physically present in the country. These conditions could be checked at the time they apply for their Permanent Residence Visa.
25. While Option B requires more time for policy work and implementation, it does a better job achieving the four objectives than Option A. **Annex Two** provides a more detailed table setting out the IARG's recommendations, as well as exactly which settings would be changed under each option.

Implementation and next steps

26. Making the changes for this visa requires amendments to immigration instructions and application forms, the creation of a business plan template and updates to the Application Management System. MBIE's initial estimations are that that it will take approximately 4-6 months to complete the implementation (operational and IT) work, however the timeframes will be confirmed once we begin progressing detailed advice on your preferred option.
27. We recommend that the Cabinet paper seeks delegated authority for you to take detailed policy decisions on any final outstanding issues, to support rapid implementation of any changes. Implementation activities could begin before Cabinet decisions are taken however this is subject to having sufficient certainty about key policy details and noting the risks of investing resources in implementation activities in advance.

Next steps

28. Officials can discuss the proposed scope and approach with you on 24 February 2025. Following that discussion, we will provide you with a paper confirming the high-level design of your preferred option to enable early work on the ICT requirements to commence.

Annexes

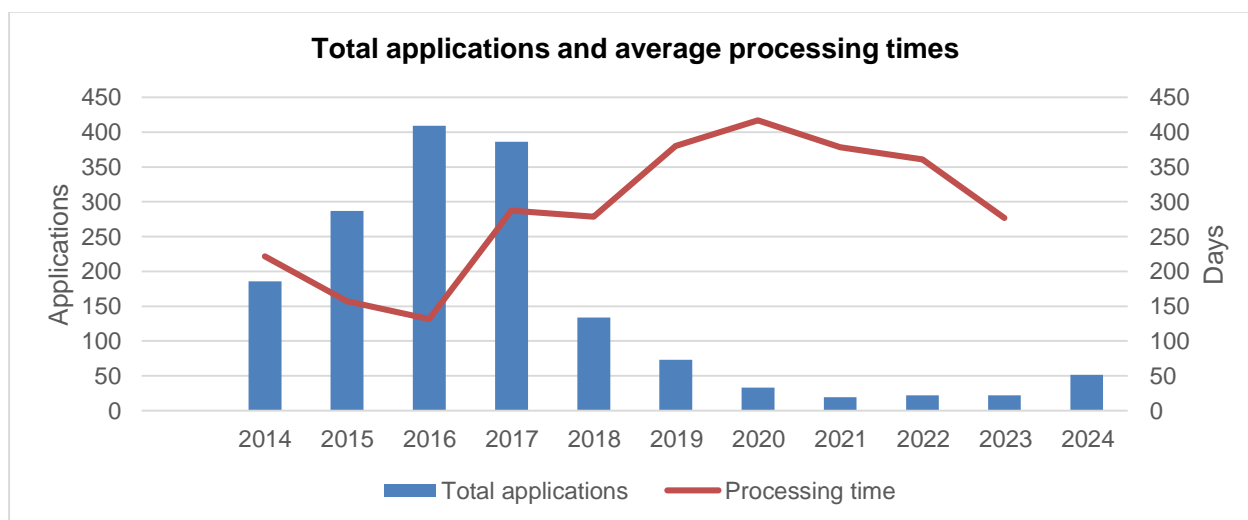
Annex One: Further analysis and data

Annex Two: Table of current settings and proposed changes

Annex One: Further Analysis and Data

1. Based on data sourced from 2014 to now, the visa has very low numbers of applicants, has a high decline rate, and applicants experience long processing times (see **Figure 1** below).

Figure 1: Entrepreneur processing times



It is a complex application process to navigate and assess

2. We understand that the current Entrepreneur Visa is difficult for applicants to navigate, with a standard pathway involving multiple applications for an interim visa (the initial work visa), a follow-up visa (for the balance of time on the temporary work visa), potentially a change of plan visa (where the applicant's business is undertaking minor changes to its original business plan), the option of an extension of the temporary work visa, and then an application for residence.
3. From a processing perspective, INZ advises that Entrepreneur Visa applications are often complex to assess and not decision-ready at submission. For example, INZ reports that multiple requests for information are sent to applicants before they get the information necessary to finalise an application. INZ also notes that many applicants don't have immigration advisers and because it is complex visa category, it can often require guidance from INZ staff to get the applicant over the line in terms of a complete application, ready for processing.
4. Processing times are also lengthy, with applicants having to wait an average of approximately 300 days to receive a decision on their application over the last four years (see **Figure 1** above).

The economic benefits are unclear

5. INZ reports that the applications it has received often either appear out of step with the New Zealand economy (e.g. banana firms, cinnamon groves), or are not what the policy may have intended when it was created (e.g. rubbish bin company, export goods (wine, timber, honey etc.), car yards, and freight companies). A sample of the current queue includes applications for the following new businesses: armoury and military antiques, online international educational services, a consulting company, and a sustainable farming business.
6. Many of the current applications have a low level of required capital (average proposed investment of \$227,000) and range in how it is intended to be used (e.g. purchasing stock or premises). In addition, the current English language requirements may limit applicants' ability to operate in a New Zealand business environment. Finally, the current points system allows for points gained for non-economic outcomes (e.g. age, location based outside Auckland),

which may be acting as a discount on applications focussed on genuinely high-growth activity.

It is not well set up to respond to emerging succession issues in the New Zealand business market

7. We understand there is an emerging issue of businesses around New Zealand (including the regions) of ageing owners looking for potential buyers to support business continuity and succession. It is possible that immigration could help resolve a potential lack of business purchasers currently in the New Zealand market.
8. The long processing times are likely disincentivising applicants for this visa entering into a sale and purchase agreements for businesses. The visa is also not attracting migrants with larger amounts of capital (i.e. more than \$227,000 currently being applied for but less than the \$5 million required for the AIP Visa), which would be necessary to purchase a genuine business of a going concern.

Annex Two: Table of current settings and proposed changes

Annex Two: Current settings and proposed changes

This table sets out the current settings alongside proposed changes by the IARG and additional comments by MBIE. The highlighted rows identify where MBIE is proposing significant alternative settings to the IARG under option B.

Setting	Current settings	Setting proposed by the IARG	MBIE comment	Option A Cabinet committee decisions by 9 April 2025	Option B Cabinet committee decisions by 7 May 2025
Entrepreneur Work Visa					
Age limit	No age limit (but no points awarded for age 60 and over).	Age limit of 55 years.	Between 2019-2024 there were 8 successful applicants over the age of 55 (approx. 17% of successful applications).	No change to current settings.	
English language requirement	IELTS 4.0.	IELTS 4.0.	Operating a successful business in New Zealand requires strong English skills, and there may be some merit in considering the risks and benefits of raising the requirement.	No change to current settings.	Consider raising the requirement in line with other visa types/comparator countries.
Minimum financial threshold	<p><u>Investment funds</u>: \$100,000, but this can be waived if the business is in science, ICT or another high-value export sector, and the business shows a high level of innovation and growth prospects.</p> <p><u>Waiver for high potential</u>: Not specified.</p> <p><u>Settlement funds</u>: Required to have sufficient funding to cover living costs.</p>	<p><u>Investment funds</u>: Minimum of \$1 million for business acquisition or establishment. This amount may exclude or include any property component (TBD).</p> <p><u>Waiver for high potential</u>: Not specified.</p> <p><u>Settlement funds</u>: Applicant must demonstrate ownership of a minimum of \$0.5m (additional to the investment funds). Recommend applying the same criteria as Parent Retirement Category.</p>	<p><u>Investment threshold</u>: A higher investment threshold will encourage higher-quality applications. \$1 million is a reasonable level for buying established businesses. A business valued at \$1 million is unlikely to employ many people (up to 3).</p> <p><u>Waiver for high potential</u>: The existing waiver has not incentivised truly innovative companies. We could develop further options for this in our next advice.</p> <p><u>Settlement funds</u>: No recommended changes to current settings – the higher thresholds reduce the need to be prescriptive here.</p>	<ul style="list-style-type: none"> Lift to \$1 million for purchasing existing businesses. Keep at \$100,000 for creating a new business. Redesign waiver system to properly incentivise truly innovative companies. 	<ul style="list-style-type: none"> Lift to \$1 million for purchasing existing business. Lift to \$2 million for straight-to-residence pathway. Lift to \$250,000 for creating a new business. Redesign waiver system to properly incentivise truly innovative companies.
Business plan required	Comprehensive business plan that meets requirements.	<p>A business plan (completed using a standard template) is required and must set out:</p> <ul style="list-style-type: none"> jobs retained / created business meets policy objectives proof of suitable due diligence. 	A simplified business plan using a standard template would streamline the application process and likely make the visa processing more efficient.	Create and require a simplified business plan template.	
Experience of entrepreneur	<p>As part of the points system, the applicant earns points for:</p> <ul style="list-style-type: none"> suitable business experience holding professional or occupational registration if required. 	<p>Applicant must have:</p> <ul style="list-style-type: none"> 3 years of acceptable business experience (align with the previous Investor 2 requirements) professional or occupational registration if required. 	Aligning with the Investor 2 requirements would be quick to implement but it would be more prescriptive than current settings and may decrease the number of eligible applicants.	Change instructions to align with previous Investor 2 settings.	
Acceptable business investment	Not specified, but more points available for more full-time roles created; for approved export businesses (based on annual turnover) and / or for unique or new products to New Zealand.	<p>Acceptable business investment:</p> <ul style="list-style-type: none"> an existing business which holds stable ownership and employment of at least 5 employees a new business with the capability to create at least 5 new full-time roles. <p>Requirements around:</p> <ul style="list-style-type: none"> who the employees can be, independent valuation, business types to exclude. 	<p>We note that \$1 million is unlikely to buy a business with 5 employees, so we recommend focusing on either the level of capital, or jobs retained, rather than both.</p> <p>We would expect to see a \$1 million valuation be associated with 1-2 employees. A \$2 million valuation would be associated with 3-5 employees.</p> <p>There may be other requirements that are good indicators of genuine businesses that would need to be met by the applicant.</p>	<ul style="list-style-type: none"> Define an acceptable business investment linked with a third-party valuation. Must be well-established. No business types excluded. 	<p>Define an acceptable business investment linked with a registered valuation. Must be well-established. We propose other additional requirements:</p> <ul style="list-style-type: none"> minimum age of business of (e.g. 3 years) excluding some business types or industries (e.g. very low value retail) when the business was last sold, and to who (in order to manage business recycling for immigration purposes).
Transfer of capital	<p>Investment capital must be transferred to New Zealand within the start-up stage (12 months).</p> <p>Applicants then apply for next stage of visa for the remainder of the 3-year initial period.</p>	Applications will initially proceed to an approval-in-principle stage and will then have 12 months to transfer and invest the minimum \$1m in their business purchase or business establishment, and to commence their business operations.			

Setting	Current settings	Setting proposed by the IARG	MBIE comment	Option A Cabinet committee decisions by 9 April 2025	Option B Cabinet committee decisions by 7 May 2025
Visa duration and structure	Visa duration – up to 3 years (12 months + 2-year extension).	Visa duration – up to 5 years (12 months + 4 years).	The current visa structure is confusing and difficult. Simplifying this pathway is key to making the visa more attractive. Offering a straight-to-residence option tied to higher investment level would increase attractiveness of the visa.	Retain existing visa structure / process	<ul style="list-style-type: none"> Simplify the process by offering an initial 3-year work visa, with the ability to apply for Residence at the end of that. Offer a straight-to-residence pathway for high-value investment (see more detail below).
Can business plan be changed	The holder of a work visa may submit one request to change their business plan.	Yes – no limit to changes. The business plan template should be sufficiently flexible to accommodate what would be regarded as normal business activity for the type on business without the need to seek INZ approval each time.	Changes to the business plan better reflect the realities of business environment, but increase the burden on INZ and therefore processing times.	Yes – no limit to changes.	Requires further work to enable reasonable flexibility whilst not affecting visa processing efficiency.
Can business itself be changed	Any changes to the business plan must be minimal and broadly in line with the original business plan submitted.	Applicants may sell the business at an increased value and buy a new business, maintaining the minimum \$1m investment and outcome requirements.	We agree that applicants should be able to buy new businesses so long as the initial criteria are met (e.g. \$1 million invested, and any job retention requirements).	Enable selling and buying new business after arrival.	
Priority of processing	No	Priority processing.	A focus for INZ is ensuring applications received are decision-ready and work is ongoing to reduce processing time for all visas. The only applications currently prioritised for allocation over others are those under the Green List Straight-to-Residence stream.	Note INZ's focus on improving processing times.	Changes to provide for a simpler visa pathway, with fewer gateways, and better communications regarding decision-ready applications is likely to improve processing times.
Entrepreneur Residence Visa					
Residence visa offering	Residence.	Straight to Permanent Residence.	Going straight to Permanent Residence would make the visa considerably more attractive, but it would be highly unusual in the context of the wider immigration system. We consider a better way to make the visa more attractive is to simplify the visa and offer a straight-to-residence option for higher-value investment (e.g. \$2 million).	No change to current settings.	Consider: <ul style="list-style-type: none"> A straight-to-residence option for higher-value applicants with section 49 conditions (e.g. that applicants must be actively working in the business for a specified period of time) to manage potential risk / measure outcomes.
Requirements for approval (in addition to health and character requirements)	Have successfully established a business in New Zealand that realises the benefits outlined in their business plan, and have operated that business for: <ul style="list-style-type: none"> at least 2 years or at least 6 months and invested at least \$500k and created at least 3 full-time roles. 	<ul style="list-style-type: none"> Must hold a current Entrepreneur Work Visa. Must continue to meet investment level and job-creation requirement. must actively operate the business for at least 3 years. Spend at least 184 days in New Zealand in each of previous 3 years. A chartered accountant confirms the business is trading as a going concern. <u>For business acquisition</u>: maintain at least 5 full-time roles for the prior 3 years. <u>For a new business</u>: create and maintain at least 5 full-time roles for the 2 years. 	We agree that these requirements should be simplified. We can incentivise greater investment by reducing the time required if more funding is invested into the business (and/or more jobs created).	Changes recommended by IARG.	



BRIEFING

Review of the Entrepreneur Visa - proposals for consultation

Date:	6 March 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0010285

Action sought		
	Action sought	Deadline
Hon Erica Stanford Minister of Immigration	Agree that MBIE consult with targeted stakeholders on an updated package of proposed changes to the Entrepreneur Visa Category	12 March 2025

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Stacey O'Dowd	Manager, Immigration (Border and Funding) Policy	Privacy of natural persons	✓
Clare Morrell	Senior Policy Adviser		

The following departments/agencies have been consulted
MBIE Policy teams: Small Business and Manufacturing, Investment, Science System Policy; Immigration New Zealand: Operational Policy, Visa Operations, Risk and Verification; and members of your Immigration Advisers Reference Group

Minister's office to complete:

- | | |
|---|---------------------------------------|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Noted | <input type="checkbox"/> Needs change |
| <input type="checkbox"/> Overtaken by Events | <input type="checkbox"/> Seen |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |

Comments



BRIEFING

Review of the Entrepreneur Visa - proposals for consultation

Date:	6 March 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0010285

Purpose

This paper:

- seeks your agreement to consult with targeted stakeholders on an updated package of proposals to refresh the Entrepreneur Category and
- provides you with further information about implementation.

Executive summary

You have asked us to progress work on a focused refresh of the Entrepreneur Category that will:

- increase the number of applicants and lift the amount of capital invested in NZ, without diverting applications from the Active Investor Plus visa (AIP)
- better enable buying and selling of small New Zealand businesses to ensure continuity of employment
- simplify and clarify the visa, making the visa more attractive and easier to navigate for users and administer for Immigration New Zealand (INZ).

We provided you with initial advice on options for change on 20 February 2025, and recommended a package of proposals that would deliver on your objectives and could be implemented quickly. Following further analysis of proposals and consultation with members of your Immigration Advisers Reference Group (IARG), we seek your agreement to consult with targeted stakeholders on an updated package of proposals (set out in **Annex One**) from 14 March to 4 April 2025.

The focus of the proposed changes is to make it easier for existing businesses to be sold to migrant investors, complementing recent changes to the AIP. These changes present a clear shift in focus for the Entrepreneur Category to align with Going for Growth objectives. We expect that the substantial increase to the minimum investment requirement will primarily target established businesspeople with capital, rather than entrepreneurs with innovative business (start-up) proposals but less capital to invest.

We previously recommended setting a lower investment threshold for applicants who are starting a new business (\$250,000) compared to the proposed new threshold for applicants buying established businesses (\$1m). This was intended to provide an ongoing pathway to entrepreneurs who have innovative new business ideas, but do not meet the \$1m minimum investment threshold.

Confidential advice to Government

On this basis, at this stage, we recommend aligning the minimum investment threshold for all applicants under the refreshed Entrepreneur Category. This would create a more cohesive product that reflects the shift in objectives for the category that aims to increase capital invested in New Zealand and support the

To manage the risk that refreshed Entrepreneur Category offers a discounted pathway to residence relative to the AIP, we propose maintaining clear minimum skill and experience requirements so applicants are well-equipped to operate their businesses in New Zealand, and to require people become tax resident in New Zealand.

Recommended action

The Ministry of Business, Innovation and Employment (MBIE) recommends that you:

- a **Note** that following initial advice on 20 February 2025, you agreed to an option that implements changes to the Entrepreneur Category to:
- i. increase the number of applicants and lift the amount of capital invested in New Zealand, without diverting applications from the AIP
 - ii. better enable buying and selling of small New Zealand businesses to ensure continuity of employment
 - iii. simplify and clarify the visa, making the visa more attractive and easier to navigate for users and administer for INZ [REQ-0009526].

Noted

Setting the same minimum investment threshold for all applicants

- b **Note** that in our advice on 20 February 2025, we recommended setting a lower investment threshold for applicants who are starting a new business (\$250,000) compared to the proposed new threshold for applicants buying established businesses (\$1m) in order to facilitate pathways to New Zealand for entrepreneurs with innovative start-up ideas, but less capital to invest [REQ-0009526]

Noted

Proposals for consultation on a refreshed Entrepreneur Category

- c **Agree** that MBIE consult with targeted stakeholders on the following package of proposals:

<i>Updating business and investment requirements</i>	
i. Update the objective of the visa to better reflect your priorities for the category (refer to paragraph 7)	<i>Agree / Disagree / Discuss</i>
ii. Replace the current points system with higher investment thresholds, for buying existing businesses <u>and</u> establishing new businesses: <ul style="list-style-type: none"> \$1m – standard pathway to residence \$2m – fast track to residence (with conditions on resident visa) 	<i>Agree / Disagree / Discuss</i>
iii. Expand the definition of acceptable business investment, with targeted exclusions to limit investment in low-productivity businesses	<i>Agree / Disagree / Discuss</i>
iv. Streamline business plans and clarify employment targets for businesses	<i>Agree / Disagree / Discuss</i>
v. Require applicants to operate their business investment for at least three years	<i>Agree / Disagree / Discuss</i>

<i>Clarifying skill and experience requirements for applicants</i>	
vi. Lifting English language requirement to an overall score of IELTS 5.0 or equivalent	<i>Agree / Disagree / Discuss</i>
vii. Setting a minimum business experience requirement of at least three years (aligned with Investor 2 settings)	<i>Agree / Disagree / Discuss</i>
viii. Setting an age limit of 55	<i>Agree / Disagree / Discuss</i>
<i>Clarifying visa settings</i>	
ix. Granting an Entrepreneur Work visa for up to four years, made up of an Entrepreneur Establishment stage (for up to the first 12 months) and Entrepreneur Operating stage (for the balance). Applicants will be eligible for the Operating stage following lawful transfer of funds and business establishment.	<i>Agree / Disagree / Discuss</i>
x. Specifying minimum time in New Zealand, of at least 184 days (tax residence)	<i>Agree / Disagree / Discuss</i>
xi. Enabling business investors to change their business once during the business operating period, subject to the requirement to operate the business investment for a three-year period	<i>Agree / Disagree / Discuss</i>
xii. Specifying minimum settlement funds	<i>Agree / Disagree / Discuss</i>

Targeted consultation

- d **Agree** that MBIE undertake targeted consultation using the material set out in **Annex One** with the following stakeholders from 14 March – 4 April 2025:

Business brokerages	ABC Business Sales Barker Business Brokers LINK Business Brokers NZ Business Brokers
Business organisations	Business New Zealand Employers and Manufacturers Association Chartered Accountants Australia New Zealand
Entrepreneurs	Y-Vonne Hutchinson Susan Paley Tenby Powell
Immigration advisers	Immigration Advisers Reference Group
Innovation organisations	CreativeHQ Edmund Hillary Foundation Icehouse Ministry of Awesome

Agree / Disagree / Discuss

Implementation

- e **Note** that we recommend updating the name of the Entrepreneur Category, which would require an amendment to the fee schedule of the Immigration (Visa, Entry Permission, and

Related Matters) Regulations 2010, and that this could be done at the same time as any Parent Boost regulation change [refer to advice in briefing REQ-0010049]

Noted

f

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[Redacted text block]

Noted

g

Note that we can discuss these proposals at our meeting on the Refresh of Entrepreneur Category on 12 March 2025.

Noted



Stacey O'Dowd

Manager, Immigration (Border and Funding) Policy

Employment, Skills and Immigration Policy,
MBIE

06 / 03 / 2025

Hon Erica Stanford

Minister of Immigration

..... / /

You have agreed to a focused review of the Entrepreneur Category

1. You have asked us to progress a targeted review of the Entrepreneur Visa that will:
 - increase the number of applicants and lift the amount of capital invested in NZ, without diverting applications from the Active Investor Plus visa
 - better enable buying and selling of small New Zealand businesses to ensure continuity of employment
 - simplify and clarify the visa, making the visa more attractive and easier to navigate for users and administer for INZ. [REQ-0009526].
2. On 20 February 2025, we provided you with initial advice on options for a targeted review of the category and advice on the recommendations for policy change submitted by your Immigration Advisers Reference Group (IARG). In order to meet the objectives above and enable changes to be implemented quickly, you have agreed to progress a focused review that would implement most of the IARG's proposed changes, as well as a small number of additional changes we have identified to improve the attractiveness of the visa (**Option B** in briefing REQ-000952).
3. The changes you have agreed to progress present a clear shift in focus for the Entrepreneur Category that could contribute positively to productivity and support the Going for Growth approach. The settings aim to attract migrants with capital and business experience, bringing greater international investment, ideas and skills to New Zealand small businesses.
4. In particular, the substantial increase to the minimum investment requirement will primarily target established businesspeople with capital, rather than entrepreneurs with innovative start-up proposals and low capital to invest. While this presents opportunities to increase the flow of capital to New Zealand and improve application quality, there are a number of risks, trade-offs, and choices for you to consider. These include:
 - how to create a more attractive and flexible visa product while managing immigration risk and processing impacts
 - how to facilitate pathways to New Zealand for entrepreneurs with innovative ideas, but less capital to invest, and
 - ensuring the refreshed Entrepreneur Category does not provide a discounted pathway to residence relative to the Active Investor Plus.
5. We have undertaken further analysis of the proposals set out in our earlier advice and have refined a package of proposals that we seek your agreement to consult with stakeholders – discussed in detail below.

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- [REDACTED]
- [REDACTED]
- [REDACTED]

Managing impacts on Active Investor Plus category

10. There is a risk that the refreshed Entrepreneur Category offers a discounted pathway to residence compared to the Active Investor Plus (AIP) visa. We consider that this risk can be managed by ensuring that the minimum skills and experience requirements and time in New Zealand requirements under the refreshed Entrepreneur Category are set at a higher level than the AIP visa. This will serve a dual purpose of ensuring that business investors are well-equipped to run their businesses in New Zealand, and that proposed Entrepreneur Category settings do not undercut the more facilitative AIP settings.
11. Table One below highlights the key distinctions between the proposed changes to the Entrepreneur Category and the current Active Investor Plus visa settings.

Table One: Comparison between proposed Entrepreneur Category settings and AIP

	Entrepreneur Category		Active Investor Plus Category	
	Standard	Fast-track	Growth	Balanced
Minimum investment	\$1m	\$2m	\$5m	\$10m
Investment type	Business investment – active day-to-day involvement		Direct investment or managed funds	Bonds, listed equities, philanthropy, property, direct investments, managed funds
Investment / business operation period	<u>Three years</u> (following 12-month startup phase)		<u>Three years</u>	<u>Five years</u>
Time to permanent residence	From six years	From four years	From three years	From five years
Time in New Zealand	At least 184 days per year – i.e., tax resident		21 days over three years – i.e., not tax resident	105 days over five years – i.e., not tax resident
English language requirements	IELTS 5.0		None	
Minimum business experience requirements	At least three years (aligned with Investor 2)		None	
Age limit	55 years old (for initial visa)		None	

Updated package of proposals for consultation

12. A summary of the package for consultation is set out in Annex One. Below we have explained in detail the proposals, covering risks, mitigations and feedback from consultation to date (within MBIE and with members of your IARG).

Updating business and investment requirements

Clarify the objective of the visa

13. The current objective of the Entrepreneur Category is to “contribute to economic growth by enabling experienced businesspeople to grow or establish high growth and innovative businesses with export potential in New Zealand” Business Immigration Specialists use this objective to assess applications and business plans under the category.
14. We propose the following updated objective, to better reflect your priorities and guide decision making under proposed new settings:
 - “to contribute to New Zealand’s economic growth by enabling experienced businesspeople to:
 - i. invest in and improve established New Zealand businesses, ensure continuity of employment; or
 - ii. establish new businesses and create jobs in New Zealand”

Replace the points system and lift the minimum investment requirement

15. We propose replacing the current points system with an increase to the minimum investment threshold. This is intended to support your objectives to increase the capital invested in New Zealand businesses and support business continuity, as well as functioning as a simpler proxy for quality. If you wish to incentivise greater investment, a dual pathway could provide a faster track path to residence for applicants, which is consistent with the current settings.
16. We recommend consulting on the following minimum investments thresholds:
 - \$1 million – standard pathway to residence
 - \$2 million – fast track pathway to residence.
17. While higher upfront capital investment requirement will increase the threshold to entry for applicants wanting to buy an existing business, it may also improve the quality of applications and reputation of the category, leading to an uptick in volumes under the category. Under the fast-track pathway, applicants would move quickly to residence once the business has been operating for a short period of time (currently six months), with a requirement, as a condition on their resident visa, to operate the business for a total of three years.
18. There is a risk that increasing the upfront investment costs creates an expectation of residence at the end of the business investment period, including in instances where applicants are unable to demonstrate that they have delivered on their business plan. This risk could be managed by ensuring clarity of eligibility requirements up front and providing applicants with some flexibility to extend their work visa, providing more time to deliver on their business investment objectives and meet residence requirements.
19. You have choices about whether or not to include property and / or certain non-productive assets as part of the minimum investment, and we propose to seek stakeholder views on this to inform final advice. Allowing applicants to include property will mean the value of the business itself would be lower than the minimum investment thresholds of \$1m or \$2m, and this is likely to change the profile of these businesses.

Expand the definition of Acceptable business investment

20. Updating the objective of the policy will go some way to expanding the types of businesses that migrants could invest in. Instead, applicants will need to invest in a business that meets the minimum investment threshold.
21. In our earlier advice, we identified that this may increase investment in businesses with lower economic value to New Zealand (e.g., low productivity retail, or establishment of new franchises), particularly given this is an identified issue with current settings. There is also a risk that expanding the acceptable business options would provide greater latitude for people seeking to invest in a business primarily for an immigration outcome (i.e., to gain residence), rather than supporting the objective of the policy.
22. We propose that this risk be managed by requiring the business to have been in operation for a certain number of years and restricting sale of businesses that have previously been used to meet requirements under the category:
 - a longer period of business operation (for example 5-10 years or more) is likely to better target well-established businesses whose owners are looking to sell as they near retirement
 - a shorter period of business operation (for example three years) will enable business migrants to invest in a wider set of businesses but may not best support business succession planning.
23. You could also consider excluding some business types or sectors that have a lower impact on New Zealand's economic growth and productivity. While placing restrictions around acceptable business investments may ensure greater economic impact for New Zealand, limitations will increase the complexity of the category.
24. We intend to seek stakeholder views on possible exclusions and limitations on acceptable business investments and are continuing to build our evidence base about the market gap for the sale of established businesses in New Zealand.

Simplify business plans and employment targets for businesses

25. The IARG has recommended a simplified business plan template that requires evidence of how the business meets the policy objective, evidence of due diligence, and proposed retention or creation of at least five jobs. We agree that a simpler template business plan would streamline the evidential requirements for applicants from the outset.
26. However, requiring less information about the proposed business plan, the applicant's knowledge of the New Zealand market, and proposed impact of the business may increase the risk that applicants are unsuitably qualified, resourced, or experienced to establish or run their business. It may also limit INZ's ability to decline applications where there are genuine concerns around business proposals being bona fide and may enable applicants to be put on a path to residence when their business investment is unlikely to deliver the intended objectives of the policy. We recommend consulting with stakeholders on the requirements to include in a business plan template that would best enable flexibility to applicants, while enabling INZ to effectively assess eligibility and manage risks.
27. In our earlier advice, we noted that the recommendation by the IARG that applicants invest at least \$1m was out of step with the proposed requirement that applicants create or retain at least five jobs. This was based on feedback from Small Business Policy at MBIE that a business valued at \$1m is more likely to employ one to three employees. On this basis, we noted that you could set one or all of a minimum value of the business, minimum number of jobs maintained or created, or minimum annual turnover, which would be documented as part of a business plan.

28. Based on further analysis, we recommend that business applicants be required to meet both a minimum investment value as well as a requirement for either the number of jobs they will create or retain, or revenue. This will ensure that there is a benchmark to measure the success of the business endeavour for the purpose of a residence application. We propose consulting with stakeholders on the use of employment or revenue as a business target.
29. We note that for the establishment of new businesses, requiring forecast job creation and / or revenue is likely to limit true entrepreneurial effort and outcomes. This reflects an inherent tension in the current Entrepreneur Category between having a prescriptive policy that manages risks and provides clear benchmarks against which residence eligibility can be tested and true entrepreneurialism which requires taking risk and having flexibility. [REDACTED]

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Setting clearer requirements for residence

30. Residence eligibility requirements need to be set to ensure policy objectives are being met. This requires metrics that are clear and measurable, while also ensuring they are not too prescriptive to become unworkable in changing business contexts. We know that there are challenges with current settings, with applicants needing to demonstrate how they have delivered on the targets set out in their detailed business plan. This system does not provide much discretion and may be unduly harsh in instances where unforeseen events and market shifts have impacted on applicants' businesses.
31. Setting clearer minimum requirements at the work visa stage (through the business plan) should streamline eligibility for residence, and we will consult on proposed requirements. We will also explore options to build in some flexibility in instances when applicants are unable to meet the employment or revenue targets for unforeseen events that may warrant discretion.

Clarifying skill and experience requirements for applicants

Requiring a higher level of English

32. Operating a successful business in New Zealand requires strong English skills, and we recommend raising the requirement from IELTS 4.0 to IELTS 5.0. This would bring us more closely in step with the innovation visa categories in Australia and the United Kingdom, which require English language proficiency of at least an IELTS score of 4.5 and 5.5 respectively. Requiring a higher level of English proficiency will also support wider settlement outcomes for applicants who are intending to apply for residence and is more closely aligned with the minimum standard for our skilled residence categories (IELTS 6.0). The IARG endorse this proposal, and we will seek views from wider stakeholders as part of consultation.

Setting a minimum business experience requirement

33. The IARG has recommended setting a uniform minimum business experience requirement, consistent with minimum requirements under the previous Investor 2 Category. This is distinct from current settings, which do not prescribe a minimum and enable applicants to earn more points for more business experience.
34. We agree that there is merit to setting a clear minimum requirement for all applicants under the category and recommend consulting on a requirement that applicants have at least three years' acceptable business experience in a business that has at least five full-time employees or annual revenue of NZ \$1 million, which is the previous Investor 2 requirement. This updated minimum requirement would set a higher bar than current settings and may decrease the number of eligible applicants. However, we consider that setting a clear minimum will help to manage risks in the context of expanded settings.

Setting an age limit

35. The IARG has recommended setting a minimum age requirement of 55 at time of the work visa application. Based on there being eight successful applicants over the age of 55 (approx. 17% of successful applications) under current settings, we recommended retaining current settings (i.e., no age limit). Putting an age limit on applicants may exclude some prospective applicants. However, setting an age limit that targets applicants with more working years ahead of them better aligns with the objective to support business continuity as applicants are more likely to continue to run the business for longer.¹

Visa structure and flexibility

Visa structure

36. In our earlier advice, we recommended exploring the option to grant the full three-year work visa upfront to speed up processing. This would require applicants to transfer funds to New Zealand upfront so that INZ can ensure that funds have been transferred lawfully and manage risks relating to money laundering and New Zealand's reputation. It is unlikely to be practicable and / or possible to require applicants to have bought or established a business and transferred funds ahead of being granted a work visa.
37. We therefore recommend that a work visa be granted for up to four years, made up of an Establishment stage (for up to the first 12 months) and Operating stage (for the balance). In order to be eligible for the Operating Stage, applicants will need to demonstrate to INZ the lawful transfer of funds and establishment of the business. Only one fee and one immigration levy would be charged for a work visa
38. We will seek stakeholder views on whether 12 months is an appropriate amount of time to enable visa holders to have both established a business and transferred funds while also incentivising quick movement of capital into the business. Using a shorter period, such as six months, would accelerate the transfer of capital, but could result in extensions being sought, placing a burden on INZ.

Changing businesses and business plans

39. Enabling Entrepreneur Visa holders to change their business and / or business plans during the currency of their visa increases flexibility and may better reflect business realities. The trade-off is slower processing times.
40. We consider that the overall shift to simplify business plans and employment targets will result in less prescriptive and onerous business planning requirements for the purpose of residence eligibility assessments. On this basis, we propose to set a high threshold for requiring changes to be notified to INZ, consistent with having a simplified business plan. We will consult further on the appropriate threshold for triggering a requirement to amend a business plan and consider trade-offs in terms of processing effort and immigration risk.
41. Similarly, we propose enabling visa holders to sell and buy a new business, so long as minimum investment threshold and employment levels are met. We will consider whether there should be a requirement to have operated their new business for at least three years, noting that this may require an application for aa visa renewal and the associated fee additional fee.

¹ A similar age limit requirement is set for applicants for Australia's new National Innovation Visa (although this visa is not directly comparable).

Specify time in New Zealand requirements

42. There is currently no explicit requirement about how much time Entrepreneur Work visa holders must spend in New Zealand. However, they are required to be actively involved in the operation of the business. We recommend consulting on setting a specified minimum time in New Zealand requirement. People become tax residents if they are in New Zealand for more than 183 days in a year. There is likely a case for setting a higher requirement, with provision for discretion if visa holders can demonstrate that they could not meet this as they had to be offshore for their business activity. We will seek stakeholders view on the appropriate minimum time in New Zealand. The minimum time requirements would be significantly higher than the more facilitative time in New Zealand requirements for Active Investor Plus visa holders.

Setting minimum settlement fund requirements

43. In our earlier advice, we recommended not setting a specific requirement for settlement funds that applicants must have to support their settlement in New Zealand while they establish their business. This was on the basis that the higher minimum investment threshold reduces the need to prescriptive.
44. At present, applicants are required to demonstrate that they have sufficient funds to “provide maintenance and accommodation for the period of the Entrepreneur Work Visa for themselves and any partner or dependent child/ren who will accompany them to New Zealand”, but this is not defined. The processing branch has advised that in practice visitor instructions are used to guide this assessment. The branch’s view is that it would be helpful to clarify a minimum amount to ensure people are reasonably able to support themselves, particularly when they are in the early phase of establishing themselves in a business.
45. Members of the IARG also agree that setting a minimum standard is important to ensure both good settlement and business outcomes. We propose to consult on minimum settlement funds and will consider alignment with existing settings across the system.

Implementation

46. Implementation of the proposed changes to the Entrepreneur Category requires system changes in AMS, extensive changes to immigration instructions, the creation of a streamlined business plan template, new application forms, standard operating procedures, and external communications. Collaboration with members of the IARG will also be required to ensure their insights are incorporated into the design.
47. The changes, as proposed, could be implemented within five months of Cabinet decisions (i.e., go-live by the end of October 2025). However, implementation activities will need to commence before Cabinet decisions are taken to ensure the implementation timeframes can be met, noting the risks of investing resources in implementation activities in advance. System changes may be rolled out in a phased approach to enable system improvements, subject to resource availability. However, other work items that impacts available resource, or substantial changes to the policy design, would affect implementation timeframes.

Updating the name of the category

48. As part of the refresh of the Entrepreneur Category, we recommend updating the name of the category to better reflect the shift in objectives and focus of the visa. Changing the name requires an amendment to the fee schedule of the *Immigration (Visa, Entry Permission, and Related Matters) Regulations 2010*, which prescribes fees for named categories (e.g., a fee is prescribed for a “Temporary visa application—Entrepreneur Work Visa”).
49. You have recently received advice on options to implement the new Parent Boost visa, which identifies that an amendment to regulations may be required to set a fee for that visa [REQ-0010049 refers]. If a change in regulations is determined to be required for the Parent Boost

visa, an amendment to update the name of the Entrepreneur Category could be made at the same time.

Resourcing implications

50. There are currently three FTE working on the Entrepreneur Category reflecting low volumes. As part of further work, we will forecast expected demand changes following changes to policy settings and assess current resourcing to future demands. An increase in application numbers may require additional resource and an increase in the Immigration Services Multicategory Appropriation. However, an increase in expenditure would be offset by increased revenue from higher visa volumes.

Proposed targeted consultation approach

51. We propose undertaking targeted consultation with the stakeholders in Table Two below.

Table Two: Proposed stakeholders for targeted consultation

Stakeholders		Likely area of interest
Business brokerages	ABC Business Sales Barker Business Brokers LINK Business Brokers NZ Business Brokers	Widening the pool of potential buyers for small businesses, especially for businesses requiring niche skills.
Business organisations	Business New Zealand Employers and Manufacturers Association Chartered Accountants Australia New Zealand	Impacts on New Zealand businesses
Entrepreneurs	Y-Vonne Hutchinson Susan Paley Tenby Powell	Immigration pathways to cater for high-potential entrepreneurs/founders, with less capital
Immigration advisers	Members of the Immigration Advisers Reference Group	Certainty and predictability for clients, low and reliable processing times, clear requirements to meet
Innovation organisations	CreativeHQ Edmund Hillary Foundation Icehouse Ministry of Awesome	Immigration pathways to cater for high-potential entrepreneurs/founders, with less capital

52. Subject to your agreement, we will meet with stakeholders from 14 March – 4 April to discuss proposals, with written feedback requested by 4 April. We will provide stakeholders with consultation material in **Annex One**.

53. Confidential advice to Government

[Redacted text block]

54. In order to allow enough time to meet with stakeholders and seek their feedback, we recommend consulting over a three-week period. This will require delaying Cabinet decisions

from our earlier advice by two weeks. Table Three below sets out key milestones and timeframes.

Table Three: Key milestones for the refresh of the Entrepreneur Category

Milestone	Date
Targeted consultation	14 March – 4 April
Briefing with report-back on consultation and draft Cabinet paper	17 April
Ministerial/agency consultation	1-14 May
Lodge Cabinet paper	15 May
Cabinet Committee	21 May
Minister agrees detailed policy design	July

Annexes

Annex One: Proposals for consultation with stakeholders

Annex One: Proposals for consultation with stakeholders

Objectives of the review:

- increase the number of applicants and lift the amount of capital invested in NZ, without diverting applications from the Active Investor Plus visa (AIP)
- better enable buying and selling of small New Zealand businesses to ensure continuity of employment
- simplify and clarify the visa, making the visa more attractive and easier to navigate for users and administer for Immigration New Zealand (INZ).

Proposals for a refresh of the Entrepreneur Category

Theme: Update business and investment requirements

	Current settings	Proposal for change	Rationale for change	Questions for stakeholders
Clarify the objective of the visa	Current objective in immigration instructions is to: “contribute to economic growth by enabling experienced businesspeople to grow or establish high growth and innovative businesses with export potential in New Zealand.”	Update the objective of the policy to: “to contribute to economic growth by enabling experienced business people to: <ul style="list-style-type: none">- invest in and improve New Zealand businesses and ensure continuity of employment, or- establish new businesses and create jobs in New Zealand”	An updated objective makes the intent of the policy clearer and flows through to the business plan requirements and residence assessment.	<i>Objective of the policy</i> 1. What are your views on the proposed revised objective? 2. Are the proposed changes consistent with this revised objective?
Minimum financial threshold	<u>Investment funds:</u> \$100,000 <u>Waiver for high potential:</u> investment funds requirement can be waived if the business is in science, ICT or another high-value export sector, and the business shows a high level of innovation and growth prospects. These requirements are not specified. <u>Settlement funds:</u> Required to have sufficient funding to cover living costs, currently calculated as approximately \$1,000 per month using visitor instructions as a guide.	Increase the minimum investment threshold to encourage higher-quality applications and support the business succession and continuity objective: <ul style="list-style-type: none">• \$1 million for purchasing existing business or creating a new business.• \$2 million for purchasing an existing business or creating a new business, with a straight-to-residence pathway. No waiver for high potential businesses -all business types would have the same minimum capital requirement. Increase the level of settlement funds required by applicants, with the potential for higher requirements for new businesses compared to the purchase of existing businesses.	The proposal simplifies requirements for the category. Lifting the minimum investment threshold will increase capital investment in New Zealand businesses. This may increase barriers to entry, however, it will also better achieve the economic objectives of the visa, add more value to New Zealand, and raise the average quality of applications. Higher levels of investment are incentivised by offering a straight-to-residence pathway. Removing the waiver for high potential businesses may disincentivise certain high-growth businesses, but it will also simplify the application process. Increasing the upfront investment costs could create a higher expectation for the grant of residence. To manage this, it will be important to set clear requirements up front. Setting a minimum settlement funds requirement is important to ensure both good settlement and business outcomes.	<i>Minimum investment thresholds</i> 3. How well do these minimum investment thresholds support the objective to better support investment in New Zealand businesses and employment continuity? 4. Are \$1 million and \$2 million the right levels? 5. Should a straight-to-residence pathway be offered to incentivise higher levels of investment? <i>Supporting innovative business proposals</i> 6. How can visa settings best incentivise the development of truly innovative businesses? <i>Settlement funds</i> 7. What would an appropriate amount of settlement funds be to ensure applicants can support themselves and their dependents, while setting up or purchasing a business in New Zealand?

	Current settings	Proposal for change	Rationale for change	Questions for stakeholders
Acceptable business investment	<p>Not explicitly prescribed, however business plan must provide evidence of how the business will meet one of the following characteristics as set out in the objective for the category:</p> <ul style="list-style-type: none"> high growth innovative, or export potential. <p>Applicants can earn more points for:</p> <ul style="list-style-type: none"> additional full-time roles created export businesses with higher annual turnover, and businesses with unique or new products / services to New Zealand being located outside of Auckland 	<p>To be eligible for a visa by purchasing a new business, the business must meet the minimum financial threshold, and be well-established:</p> <ul style="list-style-type: none"> minimum operating age of business of 3, 5 or 10 years a statement by a Chartered Accountant that the business is a going concern businesses must not have been used under the category previously (in order to manage business recycling for immigration purposes) <p>The applicant must commit to maintaining or growing the number of jobs created by the business.</p> <p>For new businesses, the applicant must commit to creating a minimum number of jobs (e.g. 5 jobs).</p> <p>For both existing businesses and new businesses, exclude some business types or industries where the economic return to New Zealand is particularly low (e.g. low turnover/ low value retail)</p>	<p>Removing the growth, innovation and export characteristics will simplify the application process for applicants and INZ, by removing subjectivity.</p> <p>Requiring a statement of going concern would remove the requirement that INZ immigration officers analyse financial statements, simplifying the application process.</p> <p>By removing the points system, we focus criteria on economic outcomes (e.g. business viability and jobs) rather than non-economic outcomes, such as being located outside of Auckland.</p> <p>Requiring a business to have operated for a minimum number of years will better match the policy to its objectives (e.g. better enabling business succession and continuity). The purchase of a newly-established business is less likely to solve a succession problem and increases the risk a business has been created for immigration purposes.</p> <p>Excluding certain sectors from being eligible will raise the economic return to New Zealand from this visa. However, such exclusions may be subjective and inadvertently exclude genuinely productive businesses.</p>	<p><i>Acceptable business investment</i></p> <p>8. Are there any types of businesses that should be excluded, for example, where the benefit to New Zealand's economic growth or productivity are less clear?</p> <p>9. What are the risks for widening the scope of acceptable business investments?</p> <p>10. Should property be excluded from the minimum investment requirement?</p> <p>11. How effective is a 'going concern' statement by a Chartered Accountant for proving a business is viable?</p> <p><i>Supporting business succession and employment continuity</i></p> <p>12. To what extent is succession a challenge for businesses, and how does this change with different business types, sectors, and sizes?</p> <p>13. To what extent are small businesses currently sold to investor migrants, and what is the likely impact on the business sale market of better enabling these purchases?</p> <p>14. How do business succession sales work in practice, and how does that interact with the immigration process?</p> <p>15. What should the minimum operating age of a business be, to be eligible for this category?</p> <p><i>Part ownership</i></p> <p>16. Should applicants be able to buy part of a company, and if so, what should the minimum ownership threshold be?</p>
Business plan required	<p>Comprehensive business plan required, which must provide satisfactory evidence: include satisfactory evidence:</p> <ul style="list-style-type: none"> to support the claims that have been made for the proposed business that the principal applicant has sufficient funds and/or assets to finance their business proposal that the principal applicant has sufficient business experience that is relevant to their business proposal that the business is either high growth, innovative or has export potential that the principal applicant has sufficient relevant knowledge about the proposed business and the New Zealand business environment that the principal applicant has done sufficient market research into the New Zealand business environment and market for their proposed business, to optimise their chances of succeeding. 	<p>Provide applicants with a simplified business plan template for establishing a new business. This will require applicants to explain how they will meet minimum employment targets etc.</p> <p>The business plan would focus on the minimum amount of information required for INZ to make a decision on a visa application.</p> <p>For buying existing businesses, an even shorter business plan may be appropriate.</p>	<p>A streamlined business plan template simplifies and clarifies evidential requirements for applicants. It is likely to improve processing processes for INZ by making it clear to applicants what information is required.</p>	<p><i>Business plan</i></p> <p>17. Should a business plan be required when an application is purchasing an existing business, or only for creating new businesses?</p> <p>18. What key requirements should be included in the business plan template?</p> <p>19. Are there business plan templates already used by certain industries (e.g. banking) that we could build on?</p>

	Current settings	Proposal for change	Rationale for change	Questions for stakeholders
Business investment requirements to be met for grant of residence <i>[in addition to health and character requirements]</i>	Have successfully established a business in New Zealand that realises the benefits outlined in their business plan, and have operated that business for: <ul style="list-style-type: none"> at least 2 years or at least 6 months and invested at least \$500k and created at least 3 full-time roles. 	Simplify the requirements for residence: <ul style="list-style-type: none"> Continue to meet the minimum investment threshold Maintain or grow employment (for the purchase of existing businesses) Meet the employment requirement (for the creation of new businesses) Actively operate the business for at least 3 years Meet time in New Zealand requirements (e.g. 184 days in each of the previous 3 years). A Chartered Accountant states the business is a going concern 	The requirement for spending a minimum amount of days (e.g. 184) per year in New Zealand, and to operate the business for three years, is intended to ensure the applicant is committed to New Zealand. The requirement to maintain the minimum investment level, and employment levels, is intended to ensure the economic benefit to New Zealand is maintained before residence is granted.	<i>Requirements for grant of residence visa</i> 20. Do you agree with the requirements proposed for the grant of residence? 21. Is the period of time operating a business (three years) for residence appropriate? 22. Is the time in New Zealand requirement (184 days) appropriate? 23. What flexibility should be considered for economic downturns or other external impacts on a business that may temporarily impact employment levels? 24. What metric should be required as a business target – e.g. employment, revenue, or cashflow?

Theme: Clarifying skill and experience requirements for applicants

	Current settings	Proposal for change	Rationale for change	Questions for stakeholders
Age limit	No age limit, but no points awarded for applicants 60 and older.	Impose an age limit of 55 for the initial Work Visa (i.e. the initial gateway)	Setting an age limit for the Work Visa (initial gateway) targets applicants with more working years ahead of them. This better aligns with the objective to support business succession, and increases the number of years an applicant may be working before themselves seeking to retire.	<i>Age limit</i> 25. Do you agree with an age limit of 55, particularly when thinking about attracting prospective applicants and supporting business continuity?
English language requirement	IELTS 4.0 – “limited” English skill level	Raise the requirement to IELTS 5.0 “modest”	<p>Operating a successful business in New Zealand requires strong English skills to engage with customers and suppliers. Raising the English language requirement will also better support settlement outcomes and the management of immigration risk. It is consistent with Australia and the UK that require IELTS 4.5 and 5.5 in their innovation / entrepreneurial categories respectively.</p> <p>While temporary visas do not usually have English language requirements, skilled residence categories require IELTS 6.0 or above.</p>	<i>English language requirement</i> 26. Is IELTS 5.0 an appropriate level of English for this visa?
Experience of entrepreneur	<p>As part of the points system, the applicant earns points for:</p> <ul style="list-style-type: none">• suitable business experience• holding professional or occupational registration if required.	<p>Change instructions to align with minimum business experience requirements under previous Investor 2 settings, and professional or occupational registration if required to operate the business.</p> <p>Investor 2 settings are: at least three years’ acceptable business experience owning or managing a business that has at least five full-time employees or annual revenue of NZ \$1 million.</p>	Mandating a minimum requirement sets a clear standard for all applicants under the category (compared to the current points system).	<i>Experience of entrepreneur</i> 27. What business experience requirements should be set?

	Current settings	Proposal for change	Rationale for change	Questions for stakeholders
Visa structure and duration	<p>Entrepreneur Category:</p> <ul style="list-style-type: none"> Work visa granted up to 3 years, made up of 12-month initial visa and 2-year extension for the 'balance of 3 years' Residence visa granted subject to meeting business plan requirements 	<p>A work visa will be granted for up to four years, made up of an Entrepreneur Establishment stage (for up to the first 12 months) and Entrepreneur Operating stage (for the balance).</p> <p>Applicants will be eligible for the Operating stage once they have demonstrated to INZ the lawful transfer of funds and that the business has been established.</p> <p>Only one fee and one immigration levy will be charged for an Entrepreneur Work Visa</p> <p>A straight-to-residence pathway will be available for high-value investments.</p>	<p>Having two stages, with a "check point" at 12 months (or an earlier point) would ensure basic requirements of the visa have been met, including the lawful transfer of funds and establishment / finalised purchase of the business.</p>	<p><i>Visa structure and duration</i></p> <p>28. How much time is needed to finalise purchase or establishment of business and transfer funds to New Zealand? Is 12 months appropriate, or could this period be shorter, e.g. six months?</p>
Can business plan be changed	<p>The holder of a work visa may submit one request to change their business plan.</p>	<p>We propose applying a high bar for requiring changes to be notified to INZ, consistent with having a simplified business plan.</p> <p>For the purchase of existing businesses, the focus will be on ensuring the applicant continues to meet conditions, e.g. maintain the minimum investment amount, and the number of jobs.</p> <p>For new businesses, only substantive changes to the nature of the business need to be notified to INZ. Minimum requirements must be maintained.</p>	<p>For the purchase of existing businesses, the business plan is less important for economic outcomes, than the maintenance of the investment and retention of jobs.</p> <p>For new businesses, the simplified business plan is intended to reduce the need for changes, for instance if there is a change in the number of roles created / retained.</p>	<p><i>Business plan changes</i></p> <p>29. What should the threshold be for triggering those creating new businesses to request a change to their business plan?</p> <p>30. How many changes to a business plan is appropriate over the time period of this visa?</p>
Can business itself be changed	<p>Any changes to the business plan must be minimal and broadly in line with the original business plan submitted.</p>	<p>For the purchase of existing businesses: enable the selling and buying of new business after arrival, so long as minimum investment threshold and employment levels are met.</p> <p>For the creation of new businesses: only require significant changes to be notified to INZ. Criteria for the changed business type are the same as for the initial application. For example, an applicant could not change their business to an excluded business type.</p>	<p>Enabling changes to a business plan, and for the buying and selling of businesses, is a way to maintain the economic benefit for New Zealand while allowing for changes in the business environment.</p>	<p><i>Change of business type</i></p> <p>31. Should applicants be able to substantively change their business type?</p> <p>32. How can settings best balance INZ resourcing constraints with the recognition that situations in business can change?</p>
Time in New Zealand requirements	<p>No specific requirement about how much time Entrepreneur Work visa holders must spend in New Zealand. However, they are required to be actively involved in the operation of the business.</p>	<p>Specify a minimum time in New Zealand requirement of at least 184 days.</p>	<p>Clarifies a minimum requirement.</p> <p>Visa holders would be tax residents, providing a clear distinction between the more facilitative time in New Zealand requirements for Active Investor Plus visa holders.</p>	<p><i>Time in New Zealand</i></p> <p>33. What is the appropriate minimum time in New Zealand requirement for a migrant actively running a business?</p>



BRIEFING

Refresh of Entrepreneur Category – report back on consultation

Date:	16 April 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0011616

Action sought		
	Action sought	Deadline
Hon Erica Stanford Minister of Immigration	Note the feedback from targeted consultation on the proposed policy settings Confirm your preferred policy settings to progress to Cabinet.	28 April 2025

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Stacey O'Dowd	Manager, Immigration (Border and Funding) Policy	Privacy of natural persons	✓
Clare Morrell	Senior Policy Advisor		
Hayley MacKenzie	Policy Advisor		

The following groups were consulted on the proposed visa settings:
Government agencies/Crown entities: MBIE Policy teams: Innovation, Investment, Small Business and Manufacturing; New Zealand Trade & Enterprise
Business Brokers: ABC Business Sales, Barkers Business Brokers, LINK Business Brokers
Business membership organisations: BusinessNZ, Chartered Accountants Australia New Zealand, Employers and Manufacturers Association
Entrepreneurs: Y-Vonne Hutchinson, Susan Paley, Tenby Powell
Innovation organisations: Creative HQ, Edmund Hilary Foundation, Ministry of Awesome, Outset Ventures
Licensed Immigration Advisers and lawyers: David Cooper, Karen Justice, Mark Williams, Richard Howard, Simon Laurent
Other countries with related visas: United Kingdom, Australia.

Minister's office to complete:

☐ Noted

☐ Overtaken by Events

☐ Approved

☐ Needs change

☐ See Minister's Notes

☐ Declined

☐ Seen

☐ Withdrawn



BRIEFING

Refresh of Entrepreneur Category – report back on consultation

Date:	16 April 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0011616

Purpose

To provide a report back on targeted consultation and seek your decision on key choices to finalise policy proposals and draft a Cabinet paper.

Executive summary

Between 26 March–11 April 2025, the Ministry of Business, Innovation and Employment (MBIE) undertook targeted consultation on proposals for change for current Entrepreneur Category. All stakeholders agreed that changes are needed to improve the performance of the category and better attract top entrepreneurial talent.

Key themes emerging in consultation were that:

- greater clarity is needed around the intended outcomes of proposed changes, including whether the focus is on purchasing established small businesses and ensuring job continuity or establishing and growing new businesses.
- setting growth targets is challenging because they can be inflexible to changes outside of business owners' control (e.g. economic downturn), may incentivise investment that runs counter to New Zealand's productivity ambitions (e.g. investment in labour rather than capital investment), and are likely to limit entrepreneurial activity because business owners will need to manage risk.
- New Zealand has a significant opportunity to attract talent, but separate visa settings are needed to facilitate entrepreneurs to establish high growth potential startups.
- clarity for applicants and faster processing times are needed to ensure the visa is marketable and workable for intending applicants and business vendors.

We seek your agreement to key policy design choices to progress to Cabinet, including:

- updating the name of the category to "Business Investor Visa",
- clarifying that applicants must buy or establish a business employing at least five people and that visa-holders buying an existing business must create at least one additional job,
- progressing targeted exclusions for some businesses in order to manage immigration risk, better support economic growth outcomes, and ensure that investment is primarily into enterprise rather than property, and
- lifting the age limit to 60 to better reflect business market realities and increasing the minimum English language requirements to IELTS 5.0 to ensure applicants are able to effectively run their business in New Zealand.

Confidential advice to Government

Recommended action

MBIE recommends that you:

- a **Note** we have consulted with a range of external stakeholders (refer to paragraph 2) on proposals for a targeted review of the Entrepreneur Category and a summary of key themes in feedback is attached at **Annex One**

Noted

- b **Note** that we seek your decision on key policy design to support drafting a Cabinet paper

Noted

Key design features

- c **Agree** to update the name of the “Entrepreneur Category” to the “Business Investor Visa”, which requires an amendment to the fee and levy schedules of the *Immigration (Visa, Entry Permission and Related Matters) Regulations 2010*

Agree / Disagree / Discuss

- d **Agree** to enable new businesses to be established under the Business Investor Visa with the same minimum requirements, including investment threshold, in order to meet November 2025 implementation

Agree / Disagree / Discuss

- e **Agree** to set the following job maintenance and creation requirements under the Business Investor Visa in order to support your objective to support continuity and growth of employment:

- i. established businesses must be employing at least five employees to be an acceptable business investment
- ii. visa-holders buying an existing business must create one additional role (e.g. one full-time equivalent job), and
- iii. visa-holders establishing a new business must create five new roles

Agree / Disagree / Discuss

- f **Agree** to exclude land/property from the minimum investment threshold, ensuring investment better reflects the enterprise value

Agree / Disagree / Discuss

- g **Agree** to set a small number of targeted exclusions to manage immigration and social licence risks and exclude some businesses where the economic benefits are limited (refer to Table 1, paragraph 31)

Agree / Disagree / Discuss

- h **Agree** to set English language requirements at IELTS 5.0 or equivalent

Agree / Disagree / Discuss

- i **Agree** to set an age limit of 60 at the time of application for a work visa

Agree / Disagree / Discuss

Transitional arrangements

- j **Agree** to close the current Entrepreneur Category when the Business Investor Visa is announced, and that no transitional arrangements will be put in place for applicants under current settings

Agree / Disagree / Discuss

m **Discuss** these proposals at the officials meeting on 28 April 2025.

Agree / Disagree



Stacey O'Dowd

**Manager, Immigration (Border and Funding)
Policy**

Employment, Skills and Immigration Policy,
MBIE

16 / 04 / 2025

Hon Erica Stanford

Minister of Immigration

..... / /

Report back on consultation

1. On 6 March 2025, we provided you with a package of proposals for consultation as part of a targeted review of the Entrepreneur Category [REQ-0010285]. In order to enable implementation of changes this year, these proposals build on recommendations from members of your Immigration Advisers Reference Group (IARG) and support the following objectives:
 - increase the number of applicants and lift the amount of capital invested in New Zealand, without diverting applications from the Active Investor Plus visa (AIP),
 - better enable buying and selling of small New Zealand businesses to ensure continuity of employment, and
 - simplify and clarify the visa, making the visa more attractive and easier to navigate for users and to administer for Immigration New Zealand (INZ).
2. We consulted with the following stakeholders from 26 March to 11 April 2025:
 - **Business Brokers:** ABC Business Sales, Barkers Business Brokers, LINK Business Brokers
 - **Business membership organisations:** BusinessNZ, Chartered Accountants Australia New Zealand, Employers and Manufacturers Association
 - **Entrepreneurs:** Y-Vonne Hutchinson, Susan Paley, Tenby Powell
 - **Government agencies/Crown entities:** New Zealand Trade & Enterprise
 - **Innovation organisations:** Creative HQ, Edmund Hilary Foundation, Ministry of Awesome, Outset Ventures
 - **Licensed Immigration Advisers (LIAs) and lawyers:** David Cooper, Karen Justice, Mark Williams, Richard Howard, Simon Laurent
 - **Other countries with related visas:** Australia and United Kingdom.
3. **Annex One** includes a detailed summary of key themes raised during consultation (including where there was divergence between stakeholders). Broadly, feedback from stakeholders was that:
 - Proposed changes would attract business investors to buy existing small businesses, and they welcomed the opportunity to participate in developing a workable visa pathway.
 - Proposed changes would shift the focus of the visa category towards the purchase of established businesses, with distinct settings needed to attract people who want to build startups with high growth-potential.
 - Setting growth targets as an immigration requirement (e.g. requiring job creation for residence eligibility) presents challenges as it may not reflect market realities (e.g. changes in economic cycles that are outside the applicant's control) or support the improvements to New Zealand's labour productivity performance.
 - Business succession is a multi-faceted problem, and the availability of buyers is only one component; businesses need to ensure they are well-prepared for transition.
 - Clarity for applicants and faster processing times are needed to ensure the visa is marketable and workable for intending applicants and business vendors.
 - Proposed settings for age (52) and English language skills (IELTS 6.0) may be too restrictive.
4. In addition to feedback from stakeholders that succession planning is a more complex issue than identifying a buyer, recent media reporting has highlighted that there is currently high demand for small businesses.¹ This demand is attributed to interest from migrants and

¹ Radio New Zealand: <https://www.rnz.co.nz/news/business/558128/average-price-to-buy-a-business-falls-despite-demand-outpacing-supply> (14 April 2025).

people recently made unemployed and looking for options to generate income after being made redundant.

Advice on key choices

5. We have identified a number of key choices following feedback from stakeholders and further analysis. We seek your decision on these to finalise policy proposals and draft a Cabinet paper for ministerial consultation.

Update the name to Business Investor Visa

6. A number of stakeholders recommended updating the name of the visa category to better reflect the proposed new focus and more clearly signal how the visa is distinct from the AIP visa. Innovation organisations considered that retaining “entrepreneur” could cause confusion in the international market given the proposed focus on financial investment.
7. We seek your agreement to rename the category the “Business Investor Visa”. This requires an amendment to the *Immigration (Visa, Entry Permission and Related Matters) Amendment Regulations 2010*, which can be done ahead of implementation. We are working with the Parliamentary Counsel Office on timeframes for regulation changes and propose to progress these alongside amendment regulations to set a fee and levy for the new Parent Boost visa.

Clarify objective: continuity of employment or growth

8. In your feedback on the package of proposals for consultation, you indicated that you would like the objective of the refreshed policy to reflect that people investing in established New Zealand businesses under the visa category must ensure continuity and growth of employment.
9. There are two key choices:
- set a job creation/addition requirement for established and new businesses (**recommended**), or
 - require job maintenance for established businesses and set growth targets for new businesses.

Setting a minimum employment number

10. We have limited data on the average number of people employed by businesses for sale that are seeking offers over \$1 million, and this will depend on a number of factors, including sector (e.g. restaurants will likely be employing more people than a business selling software as a service). MBIE small business data from 2022 shows that:
- 97% of businesses were employing fewer than 20 employees
 - 17% of businesses were employing one to five employees, and
 - 70% of businesses were not employing anyone (will include sole traders).²
11. Feedback from business brokers and business membership organisations indicates that businesses for sale at \$1 million are likely to be employing one to five employees, possibly up to 10 depending on the business.
12. On the basis of these insights and feedback, we recommend requiring businesses being purchased under the category to be employing a minimum of five employees, in order to best target investment in businesses supporting employment. Given the limited data available, we propose to monitor and review this requirement as part of the 18-month evaluation.

² MBIE Factsheet. *Small Businesses in 2022*. <https://www.mbie.govt.nz/dmsdocument/27313-small-business-factsheet-2022-pdf>.

There are challenges with setting growth targets

13. We sought feedback from stakeholders on setting minimum growth targets for established or new businesses, for example a job creation or revenue growth target. There was strong consensus from stakeholders that setting minimum growth targets is likely to be challenging and may have unintended consequences, for example:
 - All businesses are different, with a range of FTE, revenue, export, and service delivery targets, and many small businesses in New Zealand provide important services, but may not be focused on growth or easily able to support growth (e.g. a dental clinic or plumbing business in regional New Zealand).
 - Setting specific targets may drive perverse outcomes, such as recruiting extra staff to meet job creation requirements without the need for or intention to retain them or incentivising the purchase of businesses that may more easily meet a growth target.
 - There are a wide range of factors outside of a business owner's control that may mean the prescribed growth target is impossible. These range from globally significant (e.g. economic downturn, pandemic, etc) to local impacts (e.g. natural disaster, new infrastructure developments that effect local customer base, etc.).
14. A number of stakeholders, including business membership organisations, business brokers and some immigration lawyers/LIAs considered that requiring visa-holders to retain existing jobs would be a more appropriate requirement for the purchase of an established business and would support the objective to support employment continuity. On the other hand, members of your IARG sub-group considered that setting a minimum growth target is crucial (and the simplest proxy) to ensuring the visa category delivers benefits to New Zealand.

We recommend setting a simple job creation target

15. We recommend setting a job creation requirement to best meet the objectives of supporting employment continuity and growth while simplifying visa settings. While stakeholders suggested alternative metrics that could be used as growth targets, such as increased revenue, delivery of critical services, or export values, they were clear that quantifying these would be complex. Our view is that setting a job growth target is simple to measure, easy to understand for applicants, and best supports your job growth objective for the visa.
16. Given the relatively low numbers of employees likely to be employed in businesses purchased by Business Investor Visa applicants, we recommend setting a marginal increase target (e.g. one additional FTE role) so as to require growth while not being unrealistic for small businesses in New Zealand.
17. We have considered whether a job creation target undermines New Zealand's longer-term growth and productivity ambitions, by incentivising investments in labour at the expense of capital (e.g. automation or machinery). For example, the Going for Growth report notes that low rates of capital investment in plant, machinery and technologies, and comparatively slow adoption of productivity-enhancing innovations, has resulted in poor labour productivity performance in New Zealand over many decades. We have not been able to determine what the net economic impact will be of this visa. We will monitor and review this as part of the proposed 18-month evaluation.

Clarify scope: Options to enable people to establish a new business

18. In our advice on proposals for consultation, we recommended consulting with stakeholders on a proposal to set the same minimum investment threshold for all applicants under the Business Investor Visa, which differed from our earlier advice to set a lower threshold for new businesses [REQ-000952 refers].
19. During consultation, many stakeholders identified that the proposed changes shift the focus of the Business Investor Visa towards purchasing established businesses rather than establishing new ones. This is due to the higher capital requirement and the fact that buying a business is generally less risky than creating a new one. Some stakeholders suggested a

lower minimum investment threshold for new businesses, given new business investment will generate greater economic benefits, and is inherently higher risk for the entrepreneur.

20. If you would like to enable the establishment of new businesses under the Business Investor Visa, while both increasing the quality of business proposals relative to current settings and meeting a November 2025 implementation timeframe, we recommend aligning the new business requirements with the requirements for buying an existing business:
 - invest a minimum of \$1 million into establishing a new business, and
 - meet a job creation requirement of at least 5 full-time positions.
21. We anticipate there will be lower interest in establishing a new business using these settings. However, there is still value in providing a pathway for established businesspeople with capital to establish new businesses. Given quality issues with the current settings and its reputation as a visa of last resort, we also consider that requiring a higher capital investment and job creation target will help to manage the risk that businesses are created to meet immigration requirements alone. We propose reviewing this as part of the 18-month evaluation.
22. Confidential advice to Government

Minimum investment threshold and acceptable business investments

23. Some stakeholders considered that a minimum investment threshold of \$1 million would be too high for the purchase of an existing business, ruling out a significant number of smaller businesses. Suggestions from these stakeholders were to reduce this requirement, with recommended investment thresholds ranging from \$300,000 to \$750,000.
24. We recommend keeping the minimum investment threshold at \$1 million, as proposed. We undertook analysis of 360 businesses listed for sale online on the website 'NZBizBuySell'³ in early April 2025 to gain insights into the types of businesses currently available (noting that business brokers stated around 10% of businesses are not publicly listed, and this website does not include listings from all brokers in New Zealand).
25. While not all listings provide the same information, most provide an indication of asking price, sector and location of business, and many indicate whether land / buildings are included. We analysed the types of businesses for sale at different price ranges from \$500 thousand to \$3 million and have attached analysis at **Annex Two**. Our conclusions from this analysis are that:
 - An investment threshold of \$1 million shifts the profile of eligible businesses for sale by:
 - i reducing the likelihood that the business involves hospitality and small retail, although accommodation (primarily motels) makes up a large proportion of listings across all price ranges
 - ii reducing the proportion of franchised businesses, and
 - iii increasing the number of businesses outside of Auckland.
 - A higher threshold would restrict the number of businesses eligible for purchase as part of this visa, which is likely to be further restricted by setting a minimum number of people that must be employed by the business.

We recommend excluding property from the minimum investment threshold

26. We consulted with stakeholders on whether land / property value should count towards the minimum investment threshold. Business brokers indicated that a relatively low number of

³ <https://www.nzbizbuysell.co.nz/>.

the businesses they sell include property, estimating around 10–15%. These businesses are often from certain sectors, such as early childhood education.

27. Based on this feedback, and the insights above, we recommend excluding property from the minimum investment threshold of \$1 million, which would better ensure that the minimum investment amount is driven by enterprise value rather than land or property value. This would mean, for example, that in the case of a business being sold for \$1.1 million inclusive of a freehold property valued at \$600,000, only the remaining \$500,000 would count towards meeting the \$1 million minimum investment threshold (and would, therefore, be ineligible).

We recommend setting targeted exclusions

28. You asked us to consult on whether to exclude lower-productivity businesses from being eligible as an acceptable business investment, given other requirements, such as the minimum investment amount, are being lifted [REQ-0010285].
29. Many stakeholders suggested excluding businesses such as corner dairies, two-dollar shops, and vape stores, based on experience under the previous Long Term Business Visa and current entrepreneur settings, which have seen investment and business activity focused on lower value retail. Some stakeholders also suggested exclusion of specific business models, such as franchises, given there is often limited scope to innovate within the core business. However, many stakeholders noted that broadly-defined exclusions could complicate the visa settings and may inadvertently exclude businesses that are of value to New Zealand.
30. Our view is that excluding certain business types or industries could help raise the economic return to New Zealand and better align with the Government's growth objectives while managing reputational and social license risks. However, the trade-off is that such exclusions may be subjective and may inadvertently exclude genuinely productive businesses. It may also be difficult to define what does or does not fall into an exclusion list, particularly if a sector-based approach is taken, for example, an optometry business which is both healthcare and retail.
31. We consider that setting minimum requirements for the visa, such as number of trading years and an increased minimum investment threshold, will go some way to managing risks of businesses with limited economic value to New Zealand. However, based on insights from current businesses for sale, you may wish to set some targeted exclusions. We recommend setting a small number of targeted exclusions to manage immigration and social licence risks and exclude some businesses where the economic benefits are limited. A full list of proposed exclusions is listed at Table 1 below. Based on your feedback, we can provide you with an updated list of proposed exclusions as part of detailed policy design.

Table 1: Targeted specific exclusions list

Exclusions	Rationale and recommendation
Immigration risk management: <ul style="list-style-type: none"> Businesses involved in immigration advisory services, or purchased from an LIA 	<p>We recommend excluding these businesses to help maintain the integrity of the immigration system.</p> <p>These are excluded under existing settings as there is potential for conflicts of interest where visa-holders could misuse their status.</p>
Social license: <ul style="list-style-type: none"> Businesses involved in gambling, manufacturing of tobacco or other nicotine-based products (including vaping), adult entertainment or manufacturing of weapons 	<p>We recommend excluding these businesses as association could bring New Zealand's reputation into disrepute and undermine the social license of the visa settings.</p> <p>This aligns with AIP settings.</p>

Exclusions	Rationale and recommendation
Economic benefit: <ul style="list-style-type: none"> Home-based businesses (i.e. businesses operating solely from a residential address) Franchised businesses Businesses involved in drop-shipping Convenience stores (i.e. corner dairies) Discount/value stores (i.e. Two-dollar shops) 	<p>We recommend excluding businesses that have limited scope for growth or job creation, including management rights businesses, home-based businesses, and franchises (excluding master franchise).</p> <p><i>Note: while many of these businesses may be excluded by default due to minimum job requirements and exclusion of property, explicitly excluding them could simplify processing for INZ.</i></p>

Minimum skill and experience requirements

English language and business experience requirements

32. There was broad consensus among stakeholders that applicants should be able to effectively communicate in English in order to effectively operate a business in New Zealand and that lifting the minimum requirements would help achieve this. However, several stakeholders considered that lifting the minimum level to an IELTS score of 6.0 or higher would set the bar too high for many skilled applicants, particularly if this is the average required across all tests (e.g. reading, writing, listening and speaking).
33. Stakeholders considered that the proposed minimum business experience requirements aligned to previous Investor 2 settings were appropriate, with the exception of a small number who thought they should either be higher (to target highly experienced businesspeople) or wider (to ensure talented applicants are not excluded inadvertently). The proposed settings would require applicants to have a minimum of three years' business experience owning or in management in a company with at least five employees and an annual turnover of NZD \$1 million.
34. We recommend setting the minimum English language requirements at an IELTS 5.0 or equivalent and maintaining the minimum business experience requirements as proposed.

Age limit

35. You asked us to consult on an age limit of 52, which would mean visa-holders are around 55 at the point of applying for a resident visa. With the exception of the IARG sub-group, all stakeholders agreed that an age limit of 52 was too low. This was on the basis that:
 - many people are still running businesses into their 60s and beyond, and
 - the minimum capital investment and proposed business experience requirements are likely to target older applicants, who could then be excluded by a lower age limit.
36. Members of the IARG sub-group considered an age limit should be set to mitigate the risk that applicants use this visa as a pathway to retire in New Zealand and intend to sell their business shortly after being granted a resident visa. We consider that this risk could be managed while still increasing the age limit somewhat.
37. We recommend setting the age limit at 60 at the time of application for a work visa, which is consistent with feedback from wider stakeholders. We can review the age limit as part of the proposed 18-month evaluation.

Risks and mitigations

38. Feedback from stakeholders, MBIE policy teams and INZ has identified a number of risks associated with the proposed policy changes. We have summarised key risks and proposed mitigations in Table 2 below:

Table 2: Risks and proposed mitigations

Risks	Mitigation
The combination of proposed settings may inadvertently rule out too many businesses from being eligible. For example, the minimum investment of \$1 million may not match well with other requirements such as the requirement to have at least five employees. Even where businesses are eligible, we may find the types of businesses are low productivity.	Propose quarterly reporting on the category. The first six months will provide an early sense of whether settings are too restrictive or permissive and we propose a “rapid review” to assess success against your objectives (noting that any changes identified will require implementation trade-offs and ICT lead time) – refer to paragraph 49. Consider early evidence of outcomes as part of the 18-month evaluation.
A fast-track pathway with a higher minimum investment could lead to an applicant pool skewed towards investors who may already have pathways to residence available under AIP.	Age, skills and English language requirements are designed to target different applicants. AIP will have run for six months before the Business Investor Visa commences, providing a baseline from which we can assess impact of the Business Investor Visa on AIP volumes.
The proposed change could result in business models designed solely to meet criteria for residence (i.e. artificial job creation) and lead to businesses with poor long-term viability or limited impact on economic growth).	Could be mitigated through longer time operating requirements to increase the return for New Zealand. Propose to monitor the types of businesses being bought/established and number of jobs being created or retained and assess early evidence of impact at 18-month evaluation.
Processing times may mean the visa is not seen as viable for prospective migrant investors, in terms of enabling the purchase of a business.	Proposed streamlining (for example, removal of points system) expected to improve processing times for INZ per application. We have also identified several possible improvements to the way the visa is communicated to ensure that applicants are clear on what is needed to provide decision-ready applications. There are small numbers of Business Immigration Specialists processing current Entrepreneur Visas, due to very low volumes. We are undertaking further work to forecast possible volume changes, which will inform workforce impacts and any necessary changes.

Transitional arrangements for the Business Investor Visa

Closing the current Entrepreneur category

39. We expect an announcement that the current category is closing may lead to a surge in applications as people seek to have their applications assessed against previous, more facilitative instructions. Given current issues with quality and the significantly lower investment threshold, we recommend seeking Cabinet agreement to close the category ahead of go-live. This can be achieved through a change to immigration instructions, and we will coordinate closure timing with your office to align with announcement.

Transitional arrangements

40. We do not expect that there will much interest from current entrepreneur work visa-holders wishing to transition to new settings given the requirements are increasing while the incentives remain the same (e.g. residence). We therefore seek your agreement that no

Confidential advice to Government

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49. As part of this “rapid review”, we propose to focus on numbers of applicants, and evidence of barriers for applicants, including whether the minimum employee requirements or investment thresholds are posing significant barriers to entry.

18-month evaluation

50. We propose to review the new Business Investor Visa at 18 months to allow us to look at how the category is performing alongside the wider suite of refreshed business category visas (AIP Confidential advice to Government). In particular, we will review performance against the updated objectives for the visa including:
- level of investment under the category and types of businesses (including new or established, sector, size),
 - the numbers of jobs created or retained, and
 - improvements to processing times.

Next steps

51. We are drafting a Cabinet paper, seeking agreement to the high-level framework and objectives for new settings. This will incorporate your decisions on the advice in this paper.
52. We are continuing to work with members of your IARG on detailed design, including areas where immigration instructions could be updated to better reflect market realities. This includes aligning with the refreshed AIP instructions where relevant. We are aiming to provide you with advice on detailed design shortly after Cabinet decisions, with immigration instructions to follow in August 2025, as set out in Table 3 below

Table 3: Timeframes for key milestones

Milestone	Date (2025)
Departmental consultation	28 April – 2 May
Draft Cabinet paper to Minister	8 May
Ministerial consultation	13 – 22 May
Updated Cabinet paper to Minister	27 May
Lodge	29 May
ECO	4 June
Cabinet	9 June
Detailed policy design advice	Mid-June
LEG paper – amendment regulations for name change	July
Immigration instructions certified	August
Amendment regulations commence	September
Go live of Business Investor Visa	9 November


Annexes

Annex One: Summary of key themes raised by stakeholders

Annex Two: Insights on businesses for sale in New Zealand

Annex Three: Summary of Innovation visas in Australia, United Kingdom and Singapore

Annex One: Summary of key themes raised by stakeholders

Key theme	Summary of stakeholder feedback	MBIE comment / recommendation
There are key differences between buying an established business and setting up a new business	<p>Most stakeholders emphasised that settings for buying an established business and setting up a new business need to be distinct to reflect the key differences and unique challenges for both circumstances:</p> <ul style="list-style-type: none"> Purchasing an existing business involves taking over staff, operations and relationships with existing clients, and a new owner may be considering how to optimise operational efficiencies rather than focused on growth. Setting up a new business is more likely to be growth orientated and will likely have lower upfront investment requirements (particularly in certain sectors such as SaaS/tech) while owners undertake market research, build their customer base and brand, and start looking to employ. <p>Innovation organisations noted that proposed settings are targeted to attract investment into established small businesses that are less likely to be innovative or have high growth potential, particularly proposals to require a higher minimum investment amount and set measurable targets for growth, which is likely to sit in tension with the higher level of risk, uncertainty and flexibility needed to support true entrepreneurial activity.</p>	<p>Confidential advice to Government</p> 
New Zealand has a significant opportunity to attract top talent	<p>Most stakeholders noted that New Zealand has a significant window of opportunity to attract people with high growth-potential ideas, but that distinct settings are required.</p>	
Consensus that lifting minimum investment requirements would improve the category	<p>Most stakeholders agreed that lifting the minimum investment threshold would better align the category with the market for buying established businesses, although innovation organisations considered that the proposed minimum investment amount would close the pathway to people with smart capital and innovative ideas but limited financial capital.</p> <p>Two of the business brokers we spoke to were comfortable with the proposed new minimum investment amount, while one thought \$300–\$500K would better reflect the market for buying and selling small businesses in New Zealand.</p> <p>Business brokers noted that typically property isn't included in business sales, with the exclusion of a few industries, such as childcare.</p> <p>New Zealand Trade and Enterprise suggested a higher investment requirement for purchasing an existing business than for starting a new business. This is because the purchase of a new business is lower risk and doesn't necessarily have any benefits for the New Zealand economy (it is just a purchase of shares from an existing shareholder).</p> <p>Two stakeholders noted regional implications of a higher capital requirement – i.e. in rural areas, equivalent businesses were likely to be cheaper and therefore may not meet the proposed capital requirement.</p>	<p>No proposed change to the investment amount.</p> <p>Recommend aligning minimum investment requirements and job creation requirements for both establishing a new business or purchasing an existing business(es).</p> <p>While we anticipate there will be lower interest in establishing a new business using these settings, we consider that there is still value in providing a pathway for established businesspeople with capital to establish new businesses. Given quality issues with the current settings and its reputation as a visa of last resort, we also consider that requiring a higher capital investment and job creation target will help to manage the risk that businesses are created to meet immigration requirements alone.</p>
Prescribing growth targets for businesses does not reflect business realities	<p>All stakeholders expressed concern about setting specific growth targets (e.g. FTE count, revenue, etc) for visa applicants to meet in order to meet residence eligibility requirements. This is on the basis that:</p> <ul style="list-style-type: none"> Many small businesses in New Zealand are providing important services while not necessarily geared towards significant growth. There is a lack of clarity about what would happen if visa-holders are unable to meet targets for reasons outside of their control (e.g. an economic downturn, natural disaster, etc). Setting specific targets may drive perverse outcomes, such as recruiting extra staff to meet FTE requirements without the need for or intention to retain them. Setting specific targets may also drive investment outcomes that are not in the wider interest of the New Zealand economy, for example, where there may be better productivity gains from capital investment, business owners may choose other options to meet visa eligibility requirements. <p>A number of stakeholders recommended clarifying the outcomes sought for this visa and how success will be measured, noting that proposals appear geared towards small business status quo and job continuity, rather than attracting investment into growth-oriented businesses.</p>	<p>Recommend setting a simple but marginal job creation target in order to support your objective to ensure job continuity and growth while not setting targets that are out of step with small business realities.</p>

Key theme	Summary of stakeholder feedback	MBIE comment / recommendation
New Zealand's succession challenge is a wider issue than a lack of buyers	<p>Mixed feedback from business brokers:</p> <ul style="list-style-type: none"> One noted that succession is likely to become a bigger challenge as older business owners look to retire in the next 10 years. Another noted that attractive businesses sell, suggesting that the challenge is likely more related to a mismatch between business value and vendor price expectations. One noted the need for business investors to receive advice on tax/banking barriers which can disrupt the acquisition process. <p>Insights from organisations who have experience working with business owners were that New Zealand's succession challenge is much wider than identifying a buyer. For example, it also involves being set up to sell, including having clear processes and transition plans.</p>	
Success of the visa relies on fast processing and greater certainty up front that intending buyers are eligible	<p>Business brokers currently have low numbers of international buyers (a couple of brokers estimated 2% or less), and currently advise against international sales given less certainty of outcomes. They consider that the success of the visa relies on:</p> <ul style="list-style-type: none"> Greater certainty for vendors and prospective buyers that applicants are likely to meet immigration requirements. They suggested implementing a type of "pre-approval" process, which would indicate to vendors that international buyers are a realistic option. Faster processing times, with decisions on visas needed within three months to align with market realities. 	<p>We anticipate that changes to streamline the visa requirements, including removal of the points system and introducing a business plan template will make material a change to processing.</p> <p>We are discussing further possible changes to structure of the visa with INZ and will provide further advice as part of detailed policy design post-Cabinet.</p>
Setting age limit at 55 is too low	<p>All stakeholders, excluding the IARG sub-group, consider that setting an age limit of 52 is too young, with the following themes emerging:</p> <ul style="list-style-type: none"> Many business owners and entrepreneurs are continuing to invest, buy and sell into their 60s and beyond. Setting a limit any lower than 60 would rule out many current buyers and would exclude applicants who may have the business skills and experience we want to attract. 	Recommend the age limit is lifted to 60 years at the time of application for a work visa.
A 'going concern' statement by a Chartered Accountant could be costly and may not be necessary to determine business viability	Some stakeholders noted that a going concern statement would not be necessary as the viability of the business should be identified during the due diligence process for applicants. They also noted that if INZ required audited financial statements this would add additional costs and compliance requirements for the applicant or business seller.	We will provide further advice to you in a detailed policy design paper, including more facilitative options that will still enable INZ to manage risks that a business is not viable.
Excluding some businesses and property may benefit New Zealand, but will increase complexity	<p>Mixed feedback from stakeholders about the merits of excluding certain businesses. A number of stakeholders suggested excluding franchises given the limited scope for innovation within this business model.</p> <p>Several stakeholders suggested excluding small retail businesses such as two-dollar shops and dairies but acknowledged the complexity of clearly defining these categories.</p> <p>There was mixed feedback about excluding property. One noted it should not count towards the minimum investment threshold unless it was a core enabler of the business. Others considered that excluding property would create another barrier for applicants.</p>	Recommend setting targeted exclusions and excluding property from the minimum investment amount (but not excluding property in general).
Divergent views on setting minimum business experience and English language requirements	<p>Stakeholders generally agreed that requiring a minimum standard of English would support visa-holders to run businesses in New Zealand, but there was mixed feedback on how high the level should be set, for example:</p> <ul style="list-style-type: none"> some communities in New Zealand primarily operate in languages other than English, with full networks of lawyers, accountants, advisors, suppliers, etc who are able to speak the same language BusinessNZ considered that 5.0 would be more appropriate, and the Employers and Manufacturers Association suggested 4.0 to align with some work visa requirements. <p>There was mixed feedback on business experience requirements for the applicant. A number of stakeholders suggested enabling the proposed minimum business experience requirement to include corporate business or relevant industry experience, rather than just previous business ownership experience.</p>	<p>Recommend IELTS 5.0.</p> <p>No proposed change to business experience requirements as proposed changes are flexible to include corporate / management experience (rather than limited to ownership experience).</p>

Annex Two: Insights on businesses for sale in New Zealand

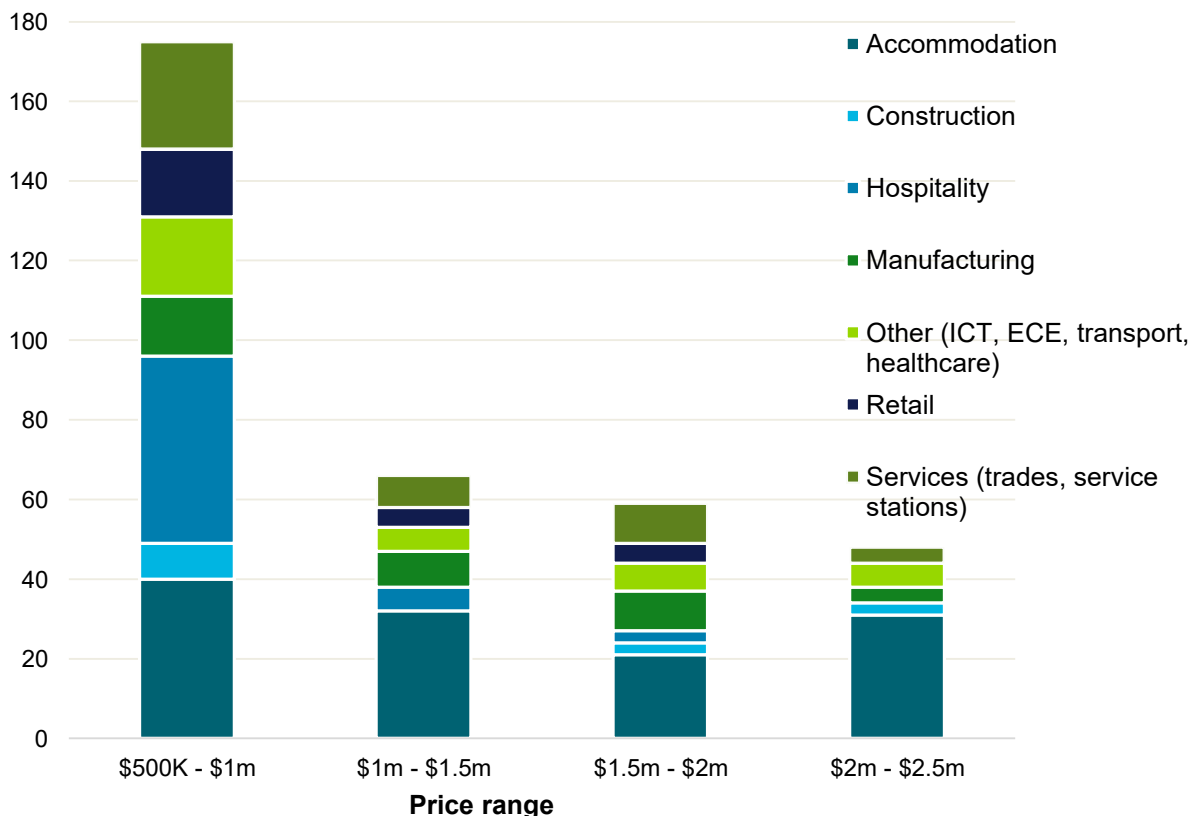
We undertook analysis of 360 businesses listed for sale on the website 'NZBizbuysell' in early April 2025, split into four groups (\$500k - \$1m, \$1m - \$1.5m, \$1.5m - \$2m, and \$2m - \$2.5m)⁴. As the value of the business increased, the profile of businesses shifted:

- from \$1 million upwards, businesses were more likely to be based outside of Auckland and include property – see Table 4 below, and
- from \$1 million upwards fewer businesses were in the hospitality and retail sectors – see Chart 1 below.

Table 4: Profiles of businesses for sale

	\$500K - \$1m	\$1m - \$1.5m	\$1.5m - \$2m	\$2m - \$2.5m
Total number of businesses in range (360 total)	175	69	61	55
Included property	2%	19%	30%	51%
Auckland-based	32%	22%	21%	24%
Franchise ⁵	13%	6%	3%	0%

Chart 1: Breakdown of businesses for sale by sector and price



There was limited visibility about how many staff businesses are employing, with only three listings indicating staff numbers. In the \$500k - \$1m range, a construction business listed 7 staff, while in the \$1m - \$1.5 range a hotel business had two staff, and a manufacturing business had “10-plus” staff.

⁴ Listings in the \$500k - \$1m and \$1m - \$1.5m range were accessed on 31 March – 1 April, and listings in the \$1.5m - \$2m range and \$2m - \$2.5m range were accessed on 14 April 2025

⁵ Types of franchises for sale included liquor stores and fast-food chains.

Annex Three: Summary of Innovator visas in Australia, United Kingdom and Singapore

- As part of the review, we met with officials from Australia and the United Kingdom to discuss their National Innovation Visa (NIV) and Innovator Founder Visa (IFV). Both countries have changed their 'Entrepreneur' visa settings in recent years and have shifted to a talent-based approach, aiming to attract highly skilled migrants – details are set out below, along with those for Singapore's EntrePass visa.
- The NIV is a permanent residency pathway designed to attract migrants who have an internationally recognised record of exceptional and outstanding achievements in their field. It uses an invitation-only approach where applicants submit an expression of interest form and be nominated. Australia prioritises applicants based on a tiered system, giving preference to global experts, nominations from government agencies or significant achievements in national priority sectors.
- The IFV offers a three-year pathway to residency for entrepreneurs aiming to establish innovative, viable and scalable businesses in the UK. Applicants are required to be endorsed by one of three endorsing bodies. There is no minimum capital investment requirement and applicants can apply for residency if the business meets the success criteria for settlement.

Country and visa	Age and English language requirements	Capital investment and settlement funds	Maturity of business proposal	Entrepreneur skills and experience	Time to permanent residence
Australia National Innovation Visa	<ul style="list-style-type: none"> If you are under 18 years old, or are 55 years or older when you apply, you must be of exceptional benefit to the Australian community. Minimum IELTS 4.5 or equivalent. 	None	N/A	<p>Must be invited to apply and have an internationally recognised record of exceptional and outstanding achievement. The visa targets four main categories:</p> <ol style="list-style-type: none"> Global researchers and thought leaders Entrepreneurs Innovative Investors Athletes and Creatives. <p>Must also have a nominator with a national reputation in the area of talent, (Australian citizen or permanent resident, or an Australian organisation.</p>	Straight to permanent residence.
United Kingdom Innovator Founder visa – 3 years	At least 18 years old. Must meet IELTS 5.5 or equivalent.	<p>No set minimum capital investment but must demonstrate sufficient funds to start and sustain the business.</p> <p>You need to have had at least £1,270 in your bank account for 28 consecutive days.</p>	<p>Business or business idea has been endorsed by an approved body</p> <p>You must be able to show that your business idea is:</p> <ul style="list-style-type: none"> new – you cannot join a business that is already trading innovative – you must have an original business idea which is different from anything else on the market viable, with potential for growth, and scalable – you must give evidence of planning that includes creating jobs and growing into national and international markets. 	Not specified but required to be actively involved in the day-to-day management and operation of business.	After three years on this visa, Innovator Founder visa-holders can become eligible to settle in the UK and apply for Indefinite Leave to Remain (ILR).
Singapore Entrepreneur Pass (EntrePass) – 1 year (renewable after 1 year, then up to 2 years)	Not specified.	<p>SGD \$100,000 capital investment from a single funding round.</p> <p>No settlement funds requirements.</p>	<p>Meet at least one of the following criteria:</p> <ul style="list-style-type: none"> Raised funding for a past or current business Supported by a government-recognised or internationally renowned incubator or accelerator Founded and sold a technology business Holds intellectual property <p>Have a research collaboration in Singapore.</p>	<p>Have started, or intend to start, a private limited company that is both:</p> <ul style="list-style-type: none"> Registered with the Accounting and Corporate Regulatory Authority (Pass holder must hold at least 30% of registered company) <p>Venture-backed or owns innovative technologies.</p>	No fixed timeline but entrepreneurs can apply for permanent residence through the Professional, Technical Personnel & Skilled Workers Scheme after a few years of successfully running a business.



BRIEFING

Draft Cabinet paper - Refreshing New Zealand's business investor visa settings

Date:	8 May 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0011624

Action sought		
	Action sought	Deadline
Hon Erica Stanford Minister of Immigration	Agree to circulate the attached Cabinet paper for Ministerial consultation (16-25 May). Agree to decisions to finalise the draft Cabinet paper or provide clarity for implementation design.	15 May 2025

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Stacey O'Dowd	Manager, Immigration (Border and Funding) Policy	Privacy of natural persons	✓
Clare Morrell	Senior Policy Advisor		
Hayley MacKenzie	Policy Advisor		

The following groups were consulted
Department of Prime Minister and Cabinet, Land Information New Zealand. Ministry of Foreign Affairs and Trade, Ministry of Social Development, New Zealand Trade and Enterprise, the Treasury, and Ministry of Business, Innovation and Employment teams (Immigration New Zealand, Innovation Policy, Investment Policy, and Small Business and Manufacturing Policy).

Minister's office to complete:

- | | | |
|--|---|------------------------------------|
| <input type="checkbox"/> Noted | <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Overtaken by Events | <input type="checkbox"/> Needs change | <input type="checkbox"/> Seen |
| | <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |



BRIEFING

Draft Cabinet paper - Refreshing New Zealand's business investor visa settings

Date:	8 May 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0011624

Purpose

To provide you with the draft Cabinet paper, *Refreshing New Zealand's business investor visa settings*, for consultation with your ministerial colleagues ahead of consideration by Cabinet Economic Policy Committee (ECO) on 4 June 2025, and to seek your agreement to a small number of decisions to finalise the draft Cabinet paper and provide clarity for implementation design.

Recommended action

MBIE recommends that you:

- a **Agree** to circulate the draft Cabinet paper (attached at **Annex One**), which seeks agreement to implement the Business Investor Visa (BIV), for ministerial consultation from 16-25 May
Agree / Disagree / Discuss
- b **Note** that we seek your agreement to three decisions to either finalise the draft Cabinet paper or provide clarity for implementation design
Noted
- c **Agree** that any jobs created for the purpose of meeting BIV requirements must be filled by New Zealand citizens or residents to best meet objectives relating to job creation
Agree / Disagree / Discuss
- d **Agree** to set the same job retention and creation requirements for the fast track to residence (i.e. \$2 million investment)
Agree / Disagree / Discuss
- e **Agree** to the same broad visa structure for the BIV as the Entrepreneur Category, with a three-stage process from work to residence
Agree / Disagree / Discuss
- f **Note** that we propose to monitor the job creation requirements for the fast track to residence and the visa structure settings, as part of the 12-month review.

Noted

g **Agree** to provide any feedback on the draft Cabinet paper at the officials meeting on 12 May 2025

Agree / Disagree



Stacey O'Dowd

**Manager, Immigration (Border and Funding)
Policy**

MBIE

08 / 05 / 2025

Hon Erica Stanford

Minister of Immigration

..... / /

Background

1. On 16 April 2025 we provided you with a report-back on targeted consultation on the review of the Entrepreneur Category and sought your decision on key policy design for the BIV, which will replace it [REQ-0011616 refers]. We have reflected these decisions in the draft Cabinet paper *Refreshing New Zealand's business investor visa settings* at **Annex One** and now seek your agreement to consult your ministerial colleagues from 16-25 May.
2. This paper also seeks your decision on a small number of outstanding issues, in order to finalise the Cabinet paper or provide Immigration New Zealand (INZ) with clarity around implementation design.

Agency feedback on the draft Cabinet paper

3. We have consulted with agencies on the draft Cabinet paper and summarised key feedback in Table 1 below.

Table 1: Agency feedback

Agency	Feedback	MBIE comment
Treasury	<ul style="list-style-type: none"> - Recommend providing advice on the BIV and Confidential advice to Government, so that Cabinet can make decisions on the interaction between these visas (as well as the Active Investor Plus visa). - Recommend implementing the BIV and Confidential advice to Government from both an efficiency and outcome perspective as this would enable both visas to be reviewed in parallel. - Clarify the impact of BIV implementation on the Our Future Services work programme. 	<ul style="list-style-type: none"> - We have strengthened messaging in the draft Cabinet paper and included an Annex with information about how the suite of business visas fit together, and wider immigration changes to support businesses and the going for growth strategy. - The draft paper notes that there is no impact on Our Future Services, as it will be a paper-based application.
Ministry of Foreign Affairs and Trade (MFAT)	<ul style="list-style-type: none"> - The Entrepreneur Category supports reciprocal arrangements with the United States under the KIWI Act, which allows New Zealand nationals to enter the United States as non-immigrant traders and investors, provided reciprocal treatment is offered. - International relations 	<ul style="list-style-type: none"> - We have noted MFAT's feedback about impact on the reciprocity arrangements in the draft Cabinet paper.
Ministry of Social Development (MSD)	<ul style="list-style-type: none"> - Job creation targets should prioritise the domestic workforce. - Removing the requirement that a business is "innovative, high growth or has export potential" may risk that businesses established or bought under the BIV have minimal benefit to the New Zealand economy. 	<ul style="list-style-type: none"> - We have clarified that job creation must be for New Zealand citizens or residents. - The requirement relating to innovation, high growth and export potential have been replaced by higher capital investment requirements and job retention / growth requirements. The new

Agency	Feedback	MBIE comment
		requirements are intended to support the New Zealand economy by supporting job continuity and growth.
Inland Revenue (IR)	<ul style="list-style-type: none"> - The requirements for minimum time spent in New Zealand (184 days) means that approved applicants would become New Zealand tax residents and would have to engage with Foreign Investment Fund (FIF) tax rules. 	<ul style="list-style-type: none"> - The minimum time requirement is reflected in the Cabinet paper, including tax implications. - The proposed settings are consistent with current Entrepreneur Category requirements, which effectively require visa holders to become tax residents, as they must actively operate their business in New Zealand.

Advice to support Cabinet policy decisions and implementation

4. We have also identified three additional decisions that are needed to finalise the Cabinet paper, provide clarity for INZ implementation work, or support development of detailed policy design. These are:
- requirements relating to the employment of New Zealand citizens and residents
 - job creation requirements for the fast-track to residence pathway
 - structure of the BIV.

Requirements relating to employment of New Zealand citizens and residents

5. In the report back on consultation, we recommended that for the purchase of an existing business, the business must be employing at least five people on a full-time equivalent basis in order to support your job continuity and growth objective [REQ-0011616 refers]. You commented whether these should be roles held by New Zealand citizens or residents or whether a minimum requirement should be set for existing jobs.
6. We recommend that any jobs created for purpose of meeting BIV requirements must be filled by New Zealand citizens or residents, to best meet your objectives relating to job creation. This is consistent with current requirements under the Entrepreneur Category. Following similar feedback from MSD, we have made this explicit in the draft Cabinet paper.
7. We do not recommend setting any requirements relating to citizenship or visa status for existing employees where applicants are purchasing an established business, and the employees will be offered the same jobs by the new employer upon termination of their employment relationship with the previous employer (i.e., the vendor). There are a range of reasons why a business may be hiring non-citizens or residents, including filling critical skill gaps that cannot be met by the local labour market. Similarly, businesses may be employing visa holders who have a pathway to residence such as people in Green List occupations or who are partners of New Zealand citizens or residents. We consider that putting restrictions on the citizenship or visa status of existing workers would create additional complexity and may not reflect labour market realities.

Job creation requirements for the fast-track to residence pathway

8. Our earlier advice recommended that the BIV include a fast-track to residence pathway for applicants who invest a minimum of \$2 million into an existing business or establish a new business [REQ-0009526 refers]. This would be based broadly on the fast-track to residence

pathway under current entrepreneur category settings, where applicants who invest a higher amount (\$500,000) and create three jobs are able to apply for residence after six months.

9. We seek your decision on whether to place higher job requirements for the fast-track pathway, or to keep the same minimum requirements as the \$1 million pathway (employing at least five people for established businesses and create one additional role, and create five new roles for new businesses).
10. As noted in our earlier advice, we have limited data about how many people are likely to be employed in businesses for sale seeking offers over \$1 million. This is similarly the case for businesses for sale at or above \$2 million, and will depend on a range of factors, including sector and region. Given limited evidence at this stage, we recommend setting the same job retention and growth requirements for both \$1 million and \$2 million minimum investments. We propose to review the impact of these settings as part of the 12-month review.

Structure of the BIV

11. During consultation, stakeholders emphasised the need for faster visa processing and greater upfront certainty that applicants are likely to meet immigration requirements, in order to make business sales to foreign buyers attractive for vendors. Business brokers noted that they are currently unlikely to recommend foreign buyers to vendors, due to uncertainty around visa requirements.
12. Business brokers suggested introducing a “pre-approval” letter that would indicate whether an applicant is likely to meet immigration eligibility requirements. Some members of your Immigration Advisers Reference Group (IARG) were supportive of INZ pre-approving businesses for sale so intending BIV applicants can assess and decide from a list of acceptable business before committing to an application. This would reduce the risk that an intending applicant purchases a business that ultimately does not meet BIV requirements. The IARG suggested that this could be akin to New Zealand Trade and Enterprise's (NZTE) approval of managed funds and direct investments under the Active Investor Plus (AIP) visa and would help create a marketing opportunity for pre-approved businesses.

We recommend maintaining the current Entrepreneur Category model

13. We have been working with INZ about whether changes to the structure of the BIV could help deliver greater upfront clarity for intending applicants and business vendors while still enabling a November 2025 implementation. We recommend retaining the existing Entrepreneur Category structure at this stage, which allow MBIE to focus on implementation and change activities (immigration instructions, ICT development, training etc).
14. Timely processing will be crucial to the success of the visa to align with the reality of selling/buying a business. This includes both INZ processing and application readiness (particularly, ensuring that all relevant documentation is provided to INZ with the application). We consider that changes to improve the quality of applications and simplify the category are likely to have the biggest impact in terms of streamlining INZ processing and providing greater clarity for applicants upfront. As part of implementation, we are preparing improved communications to intending applicants about documentation requirements, consistent with the changes that have already been made for the AIP.
15. Additionally, we anticipate that new applicants under the BIV would be more likely to engage a licensed immigration adviser (LIA) or lawyer to assist with their application, given the greater upfront cost to applicants, and that this would likely see a greater proportion of decision-ready applications. At the moment, most Entrepreneur Category applications are made without assistance from a LIA or lawyer. They are often not decision-ready, reflecting the lower barriers to entry and current reputation of the category as a visa of last resort.

We propose to monitor visa structure as part of the 12-month review

16. We also do not recommend at this stage creating a separate process where INZ pre-approves a list of acceptable investments. We have two key reasons for this:
- firstly, it would create additional processing impacts for INZ, but would not help with creating greater clarity more quickly about whether an intending applicant meets immigration requirements. It would also require additional implementation resource (including creating an application process and setting a fee), with uncertain benefits
 - secondly, a key rationale for moving marketing, attraction, and administration of acceptable investment lists under the AIP to NZTE was that these functions better align with NZTE's core roles and responsibilities to support New Zealand businesses to access capital and grow internationally.
17. We consider that the proposed changes, to clarify acceptable business requirements and remove the subjective criteria relating to being “innovative”, “high growth” or having “export potential”, will make whether an established business for sale or a new business meets BIV requirements much clearer. We can monitor this, along with wider visa structure settings, as part of the proposed 12-month review.

Resourcing the BIV

18. In the report back on consultation, we recommended closing the Entrepreneur Category on announcement of the BIV. This is to manage risk of a possible surge in applications ahead of new settings, particularly given the issues with quality in many applications under the category. It will also provide INZ with some time to work through the applications currently on hand. In a comment on the paper, you requested data on the on-hand applications.
19. There are currently 65 Entrepreneur applications on-hand across the various stages of the category:
- 51 at the start up stage (i.e., the initial work visa for up to 12 months)
 - 9 at the balance stage (i.e., the balance of the three-year work visa)
 - 3 at the residence stage, and
 - 2 for a renewal visa to provide additional time to meet residence requirements.
20. These applications are taking approximately seven months to be allocated, and the oldest applications are approximately a year old. Timeframes for on-hand Entrepreneur applications reflect a number of factors, including that:
- AIP and Parent Retirement categories are prioritised for assessment
 - the Entrepreneur category is relatively low volume compared to other business visa categories, and
 - quality issues with many Entrepreneur applications means that INZ frequently needs to request further information from applicants.
21. Incorrect information
22. We are currently doing work to forecast demand for the BIV, informed by visa volumes for previous business visa categories and insights from business brokers about likely demand, and expect to finalise this in the week of 12 May. We will provide you with further advice about resourcing for the BIV along with the final Cabinet paper.

Next steps

23. We will incorporate your decisions on the above into the final Cabinet paper for consideration by ECO on 4 June. MBIE Legal is working with the Parliamentary Counsel Office to plan timing for the regulation changes necessary to give effect to the name change for the BIV, and we will provide you with an update as part of the final Cabinet paper.
24. We are continuing to work with members of your IARG on detailed design, and are aiming to provide you with advice on detailed design shortly after Cabinet decisions, with immigration instructions to follow in August 2025, as set out in Table 2 below

Table 2: Timeframes for key milestones

Milestone	Date (2025)
Ministerial consultation	16 – 25 May
Updated Cabinet paper to Minister	27 May
Lodge Cabinet paper	29 May
ECO	4 June
Cabinet	9 June
Detailed policy design advice	Mid-June
LEG paper – amendment regulations for name change	July
Immigration instructions certified	August
Amendment regulations commence	September
Go live of Business Investor Visa	9 November

Annexes

Annex One: Draft Cabinet paper

Annex One: Draft Cabinet paper

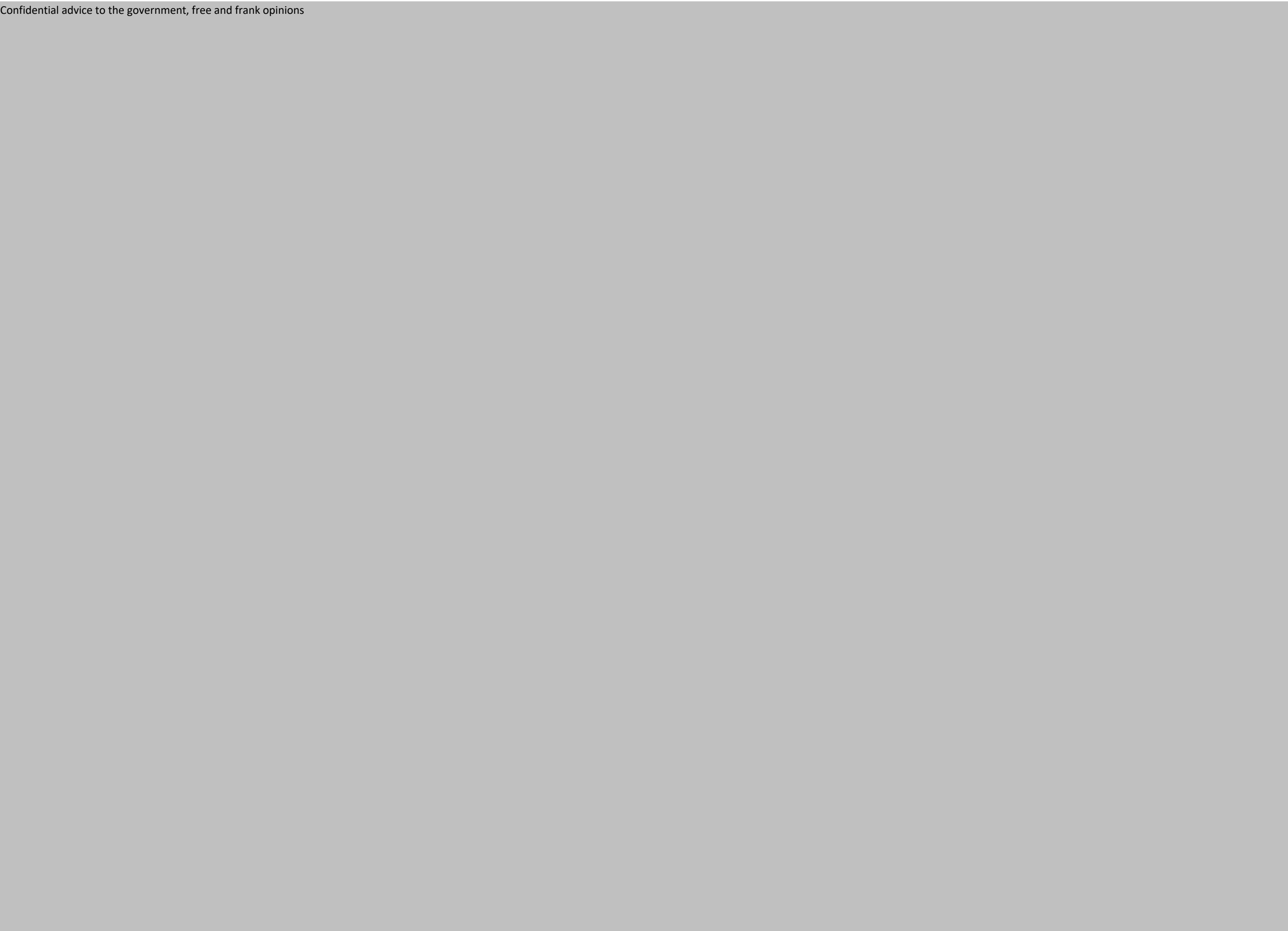
Attached separately















BRIEFING

Options for rescoping the design of the Business Investor Visa

Date:	5 June 2025	Priority:	High
Security classification:	In Confidence	Tracking number:	REQ-0015408

Action sought		
	Action sought	Deadline
Hon Erica Stanford Minister of Immigration	Agree to rescope the Business Investor Visa by focusing it on the purchase of existing New Zealand businesses	9 June 2025

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Stacey O'Dowd	Manager, Immigration (Border and Funding) Policy	Privacy of natural persons	✓
Hayley MacKenzie	Policy Advisor, Immigration (Border and Funding) Policy		

The following groups were consulted
Immigration New Zealand

Minister's office to complete:

- | | | |
|--|---|------------------------------------|
| <input type="checkbox"/> Noted | <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Overtaken by Events | <input type="checkbox"/> Needs change | <input type="checkbox"/> Seen |
| | <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |



BRIEFING

Options for rescoping the design of the Business Investor Visa

Date:	5 June 2025	Priority:	High
Security classification:	In Confidence	Tracking number:	REQ-0015408

Purpose

To provide you with advice on rescoping the proposed Business Investor Visa (BIV). This will inform the final draft Cabinet paper, *Refreshing New Zealand's Business Immigration Settings* ahead of consideration by the Cabinet Economic Policy Committee (ECO) on 18 June 2025.

Recommended action

MBIE recommends that you:

- a **Note** that in previous advice on the proposed BIV settings, we recommended enabling the establishment of new businesses with broadly the same requirements as buying an established business, including a minimum investment of \$1 million and a requirement to create at least five full-time equivalent jobs [REQ-0011616]

Noted

- b **Note** that as we have progressed detailed design of the BIV, we have identified that it will be complex to set investment rules that work for a range of new businesses while managing immigration risk Confidential advice to Government

Noted

- c **Agree** to:

EITHER

- i. **Option One:** Retain ability for applicants to establish new businesses

Agree / Disagree / Discuss

OR

- ii. **Option Two:** Remove the ability for applicants to establish a new business
[Recommended]

Agree / Disagree / Discuss

- d **Agree** to discuss with officials at the weekly immigration officials meeting on 9 June

Agree / Disagree

Noted



Stacey O'Dowd
**Manager, Immigration (Border and Funding)
Policy**
MBIE
05 / 06 / 2025

Hon Erica Stanford
Minister of Immigration

..... / /

Background

1. On 8 May 2025 we provided you with a draft Cabinet paper for ministerial consultation with proposals to implement the Business Investor Visa (BIV), which would replace the current Entrepreneur Category [001624]. Your objectives for the BIV are to:
 - increase the number of applicants and lift the amount of capital invested in New Zealand, without diverting applications from the Active Investor Plus visa (AIP)
 - better enable buying and selling of small New Zealand businesses to ensure continuity of employment, and
 - simplify and clarify the category, making it more attractive and easier to navigate for applicants and easier for to administer for Immigration New Zealand (INZ) [REQ-0010285].

BIV proposals include an option to establish a new business

2. In May we consulted with targeted stakeholders on proposals for change to deliver on your objectives for the BIV.
3. In our report back, we noted mixed feedback from stakeholders about retaining a pathway for establishing new businesses with a minimum investment of \$1 million [REQ-0011616]. While most stakeholders supported retaining a pathway for intending applicants to establish a business, many considered that the proposed settings would primarily target (and be used by) people wanting to buy lower-risk, established businesses and that settings would need to be distinct to target entrepreneurial talent – with a focus on human capital and innovative ideas and less on capital investment. However, a small number of stakeholders considered that this pathway could be used by established international businesspeople wanting to set up business in New Zealand.
4. We recommended retaining the ability to establish a new business on the basis of better facilitating increased investment to New Zealand, as well as aligning with wider Going for Growth objectives **Confidential advice to Government**. While stakeholders noted that a high investment threshold for new businesses could be difficult to meet for applicants with lower financial capital to invest, we recommended keeping a higher investment threshold of \$1 million. This is because, without a more robust system for identifying innovative and high growth potential ideas, we considered that setting a lower investment threshold would insufficiently address the quality issues seen under the Entrepreneur Category.

We recommend focusing the BIV on supporting business succession (i.e. buying established businesses)

5. We have been progressing detailed design of the BIV, including consultation with members of your Immigration Advisers Reference Group (IARG), which has revealed the complexity and challenge in allowing the creation of new businesses under the BIV. These include:
 - **The variability of new businesses** – for example, a software as a service business would likely have low startup costs compared to manufacturing, which would likely have high upfront capital investment requirements (e.g., in plant and machinery). It would be difficult to determine clear rules for investment that are flexible to a range of different business realities, while enabling INZ to effectively assess that visa holders are meeting requirements and manage the risk of gaming.
 - **Identifying acceptable investment** – in addition to setting out acceptable minimum investment requirements across the visa pathway, immigration instructions would also need to clearly set out what type of investment is acceptable. Consultation with the processing office and members of your IARG has highlighted a number of areas where there would likely be ambiguity around the acceptability of investment (e.g., luxury

vehicles that are nominated as a business investment or large volumes of stock or ICT equipment that may appear out of step with the business proposal).

- **Increasing complexity in the category** – there would be multiple complex visa products and different immigration instructions needed for the purchase of existing businesses and the establishment of a new business. This is likely to run counter to the objective to simplify the visa and would increase the implementation and processing effort required by INZ. Similarly, it is difficult to set requirements relating to the credibility and viability of a new business proposal that could be easily assessed by INZ, such as due diligence by a lawyer or chartered accountant.

- Given the challenges identified above, we consider that there is an increased risk that immigration instructions are unable to cater to all business types and scenarios from intending applicants while also sufficiently managing immigration risk and addressing the quality issues seen under the current Entrepreneur Category. This is likely to require continued input from Immigration Policy about intended outcomes and how to manage the range of possible applications, and minimise the simplification benefits sought through other key policy changes under the BIV.
- We recommended rescoping the BIV proposals to focus on enabling applicants to buy established New Zealand businesses Confidential advice to Government

. This would mean that the BIV is focused more clearly on expanding the market for small businesses and supporting job continuity and would better achieve the objective to simplify and clarify the category.
- Confidential advice to Government
- Confidential advice to Government

Next steps

- Subject to your agreement, we will provide you with the final draft Cabinet paper by 17 June, ahead of lodgement for the Economic Policy Committee meeting on 25 June (ECO).
- The key milestones are set out below and we continue to work with members of your IARG on the detailed design of the visa.

Table 1: Timeframes for key milestones

Milestone	Date (2025)
Lodge Cabinet paper	19 June
ECO	25 June
Cabinet	23 June
Detailed policy design advice	30 June
LEG paper – amendment regulations for name change	July
Immigration instructions certified	August
Amendment regulations commence	September
Go live of Business Investor Visa	9 November



BRIEFING

Final Cabinet paper - Refreshing New Zealand's business investor visa settings

Date:	12 June 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0013827

Action sought		
	Action sought	Deadline
Hon Erica Stanford Minister of Immigration	Agree to lodge the final Cabinet paper by 10am Wednesday 18 June for consideration by Cabinet Economic Policy Committee on 25 June	17 June 2025

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Stacey O'Dowd	Manager, Immigration (Border and Funding) Policy	Privacy of natural persons	✓
Hayley MacKenzie	Policy Advisor		

The following groups were consulted on the Cabinet paper
Department of Prime Minister and Cabinet, Land Information New Zealand, Ministry of Foreign Affairs and Trade, Ministry of Social Development, New Zealand Trade and Enterprise, the Treasury, and Ministry of Business, Innovation and Employment teams (Immigration New Zealand, Innovation Policy, Investment Policy, and Small Business and Manufacturing Policy).

Minister's office to complete:

<input type="checkbox"/> Noted	<input type="checkbox"/> Approved	<input type="checkbox"/> Declined
<input type="checkbox"/> Overtaken by Events	<input type="checkbox"/> Needs change	<input type="checkbox"/> Seen
	<input type="checkbox"/> See Minister's Notes	<input type="checkbox"/> Withdrawn



BRIEFING

Final Cabinet paper - Refreshing New Zealand's business immigration settings

Date:	12 June 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0013827

Purpose

To provide you with the final Cabinet paper, *Refreshing New Zealand's business immigration settings* (**Annex One**), for lodgement ahead of consideration by the Cabinet Economic Policy Committee (ECO), and draft talking points for ECO on Wednesday 25 June 2025 (**Annex Three**).

Recommended action

MBIE recommends that you:

- a **Note** that your office circulated the draft Cabinet paper, *Refreshing New Zealand's business immigration settings* [0011624 refers] for Ministerial feedback by Friday, 6 June 2025
Noted
- b **Note** you received feedback from the Minister of Finance and for Economic Growth on the draft Cabinet paper **Confidential advice to Government**, and that the paper has been adjusted to reflect this
Noted
- c **Note** that we have made the following updates to the final Cabinet paper:
 - i. Updated the objective of the visa to reflect your agreement to rescope the Business Investor Visa (BIV) and remove the creation of new businesses [0015408 refers]
 - ii. Updated Table 1 to reflect that applicants on the fast-track pathway will be subject to Section 49(1) conditions of the Immigration Act
 - iii. Added the forecast demand for the Business Investor Visa
 - iv. **International relations**
 - v. Updated the financial implications to reflect that the priority is to manage changes within baselines where possible, and INZ is assessing workforce requirements to inform where additional resources may be required
Noted
- d **Agree** to exclude fast-food outlets in the list of excluded business types (recommended by a subset of your Immigration Advisors Reference Group)
Agree / Disagree / Discuss
- e **Note** that:
 - i. The Cabinet paper for lodgement is attached at **Annex One**
 - ii. A tracked version of the Cabinet paper is attached at **Annex Two**
 - iii. Draft talking points, to support you at ECO, are attached at **Annex Three**

Noted

- f **Agree** to lodge the final Cabinet paper by 10am Wednesday, 18 June 2025 (to account for Matariki).

Agree / Disagree / Discuss



Stacey O'Dowd
**Manager, Immigration (Border and Funding)
Policy**
MBIE
12 / 06 / 2025

Hon Erica Stanford
Minister of Immigration

..... / /

A final version of the Cabinet paper is attached for lodgement

1. On 8 May 2025 we provided you with a draft Cabinet paper *Refreshing New Zealand's business investor visa settings* which you agreed to circulate for consultation with your Ministerial colleagues [001624 refers].
2. Following this, on 5 June 2025 we provided you with further advice on options for rescoping the design of the proposed Business Investor Visa Category (BIV), due to the implementation complexity of allowing applicants to establish new business under the category [0015408]. You agreed to remove this pathway and focus the BIV on supporting business succession.
3. The final Cabinet paper reflects this decision and is included at **Annex One**, with a tracked-change version attached at **Annex Two**. We seek your agreement to lodge the final Cabinet paper by 10am on Wednesday, 18 June 2025.

Final decisions required - Proposed business types to be excluded

4. The IARG are supportive of the proposed business types to be excluded in Appendix Three of the final Cabinet paper. A subset of the IARG proposed two additional exclusions, fast-food outlets and small cafes.
5. We therefore recommend excluding fast-food outlets due to their limited economic benefit. We note that some would be excluded under franchised businesses, as well as the \$1 million minimum capital requirement, however many (such as independent outlets) may not be.
6. We recommend you do not exclude small cafes, due to the low level of risk. Excluding cafes could introduce consistency concerns (for example, whether or not to extend exclusions to other hospitality businesses, such as bakeries and restaurants). When we analysed businesses that were priced from \$1 million to \$2.5 million, we identified that hospitality businesses represent only a small proportion of those listings. Appendix Three of the Cabinet paper reflects this recommendation.

Feedback from Ministerial consultation

7. Confidential advice to Government [REDACTED]
8. The Treasury also recommended that decisions on BIV are aligned with other business visa changes, Confidential advice to Government [REDACTED]. We note that, as reviews of visas are timed for a specific date following the Go-Live of the visa, we are unable to align timing. However, we aim to ensure that reviews are aligned in approach across visa products, and take account of relevant findings.

Changes made to the final Cabinet paper

9. In response to feedback and changes to scope, the Cabinet paper has been updated as follows.

Table 1: Changes made to the final Cabinet paper

Cabinet paper reference	Description of change
Confidential advice to Government	
Page 3 / paragraph 16	Updated objective of the visa to better reflect the change in scope. The revised objectives are to:

Cabinet paper reference	Description of change
	<ul style="list-style-type: none"> contribute to economic growth, by lifting the amount of foreign capital invested in New Zealand, and better enable the buying and selling of New Zealand businesses to ensure continuity and growth of employment.
Page 4, Table 1	Noted that the fast-track pathway will be subject to Section 49(1) conditions under the Immigration Act 2009.
Page 5, paragraph 20	Added the forecast demand for the BIV. Estimated demand at 50-100 applications in the first year, followed by 100-500 applications in subsequent years. This is based on historical volumes for similar business visas (Long Term Business Visa, Investor 2, and the current Entrepreneur Category). We note there is always uncertainty about how the market will react to changes to visa settings, and demand may vary depending on global and domestic economic conditions.
Page 6, paragraph 28	Added that MFAT confirmed that the proposed changes do not raise any issues under international law for the United States (US) KIWI Act. International relations We note that as the KIWI Act is US domestic law which enables New Zealanders to be eligible for US E-1 (Treaty trader) and E-2 (Treaty Investor) visas, confirmation of reciprocity requires a US legal opinion.
Page 7, Paragraph 32	In response to Treasury feedback, included that the first year of the visa will be resourced from within baselines. There is no impact on Our Future Services as the BIV will be a paper-based application in the first instance.
Page 7, paragraph 33	Updated the financial implications to reflect that the priority is to manage changes within baselines where possible and note that with a suite of policy changes underway, INZ is assessing workforce requirements to inform where additional resources may be required. The cost of these would either be met from baselines or revenue from increased visa volumes.

Talking points for ECO

10. We have provided draft talking points for you at ECO at **Annex Three**. They note the draft paper sent out for consultation has since been narrowed to remove the creation of new businesses. Confidential advice to Government

Annex Four provides background information on how the BIV supports the Government's Going for Growth strategy.

Next steps

11. Following ECO and Cabinet's consideration of the proposal, we will provide you with advice on detailed policy design to give effect to Cabinet's decisions, with immigration instructions to follow. We are continuing to work with members of the IARG on the detailed design of the visa.

Table 2: Timeframes for key milestones

Milestone	Date (2025)
Lodge Cabinet paper	18 June
ECO	25 June
Cabinet	30 June
Detailed policy design advice	3 July
LEG paper – amendment regulations for name change	July
Immigration instructions certified	August
Amendment regulations commence	September

Milestone	Date (2025)
Go live of Business Investor Visa	9 November

Annexes

Annex One: Final Cabinet paper

Annex Two: Final Cabinet paper (tracked changes)

Annex Three: Talking points for ECO on 18 June 2025

Annex Four: Background information on how the BIV supports Going for Growth

Annex Three: Draft talking points for ECO on 18 June 2025

- I propose to replace the Entrepreneur Category with a new Business Investor Visa (BIV) from early November 2025, supporting our Going for Growth strategy by attracting investment and international skills to grow New Zealand businesses and create and retain New Zealand jobs.
- I want to draw your attention to a key change since the draft paper was sent out for Ministerial consultation.
- Following advice from officials, informed by stakeholders, I propose the BIV is focused on enabling applicants to buy established businesses only. This is because it would be complex to set rules that work for a broad range of business realities while managing risks that have plagued the current Entrepreneur Category – in particular, people establishing non-genuine and unprofitable businesses just to gain residence.

Free and frank opinions

Free and frank opinions

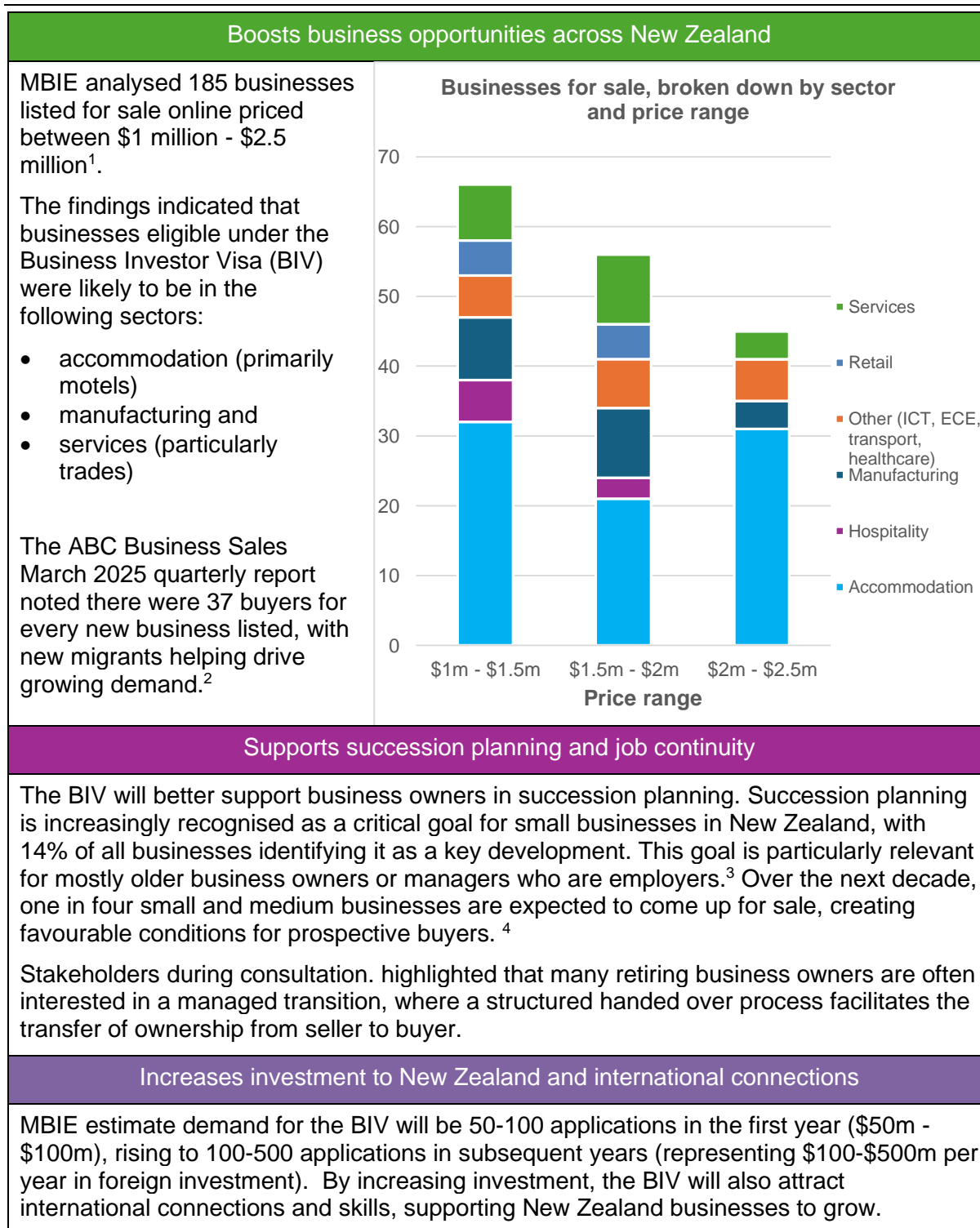
- I have not identified specific risks associated with these proposals. The proposed changes aim to address risks around the existing category, of migrants setting up non-genuine and low value businesses.

Possible questions and answers

Question	Answer
<i>This visa pathway doesn't cater for those who want to start a new business, what are their options?</i>	<ul style="list-style-type: none">• My vision is for the immigration system to offer a range of pathways for businesspeople, including:<ul style="list-style-type: none">○ attracting financial capital, which we're doing through the refreshed AIP○ attracting experienced businesspeople to invest in New Zealand businesses and support job continuity, which the BIV will do, and○ attracting entrepreneurial talent and innovative ideas.• Free and frank opinions
<i>What would the proposed English language level be?</i>	<ul style="list-style-type: none">• Applicants should be able to effectively communicate in English in order to effectively operate a business in New Zealand and lifting the minimum requirements will help support successful settlement. It also manages risk that the visa becomes a category of 'last resort'.• The English level will be set in immigration instructions at IELTS 5.0 – a modest level, which means users can speak and understand basic English.
<i>Why did you choose a job creation target of 1 new FTE instead of other metrics, i.e. revenue or export targets?</i>	<ul style="list-style-type: none">• Most businesses in New Zealand are small. Targeted consultation indicated that businesses worth \$1 million are likely to employ between 1-10 people. In order to get the right balance between facilitation and benefit to New Zealand, we have set a marginal growth target of 1 new employee and require that the existing number of employees is maintained. This is simple to measure and easy for applicants to understand. I have also proposed that any jobs created are

Question	Answer
	filled by New Zealand citizens or residents, which supports the Government's priority to reduce job seeker numbers. This will be reviewed as part of the 12-month evaluation.
<i>Why should visa holders under the BIV become tax residents, meaning they would have to engage with Foreign Investment Fund rules?</i>	<ul style="list-style-type: none"> • I envisage the Business Investor Visa as a distinct visa from AIP as it will target people who are actively involved in the day-to-day operations of their business. For applicants to meet this requirement, I expect that they will need to spend a certain amount of time physically present in New Zealand, which in turn requires tax residence.
<i>Why have you excluded the value of property from the purchase price?</i>	<ul style="list-style-type: none"> • Excluding property value from the purchase price of a business ensures that the minimum investment amount is driven by enterprise value rather than land or property value. During targeted consultation, business brokers advised that relatively few business sales include property.

Annex Four: Background information on how BIV supports Going for Growth



¹ Listings in the \$1m - \$1.5m range were accessed on 31 March – 1 April, and listings in the \$1.5m - \$2m range and \$2m - \$2.5m range were accessed on 'NZBizBuySell' on 14 April 2025

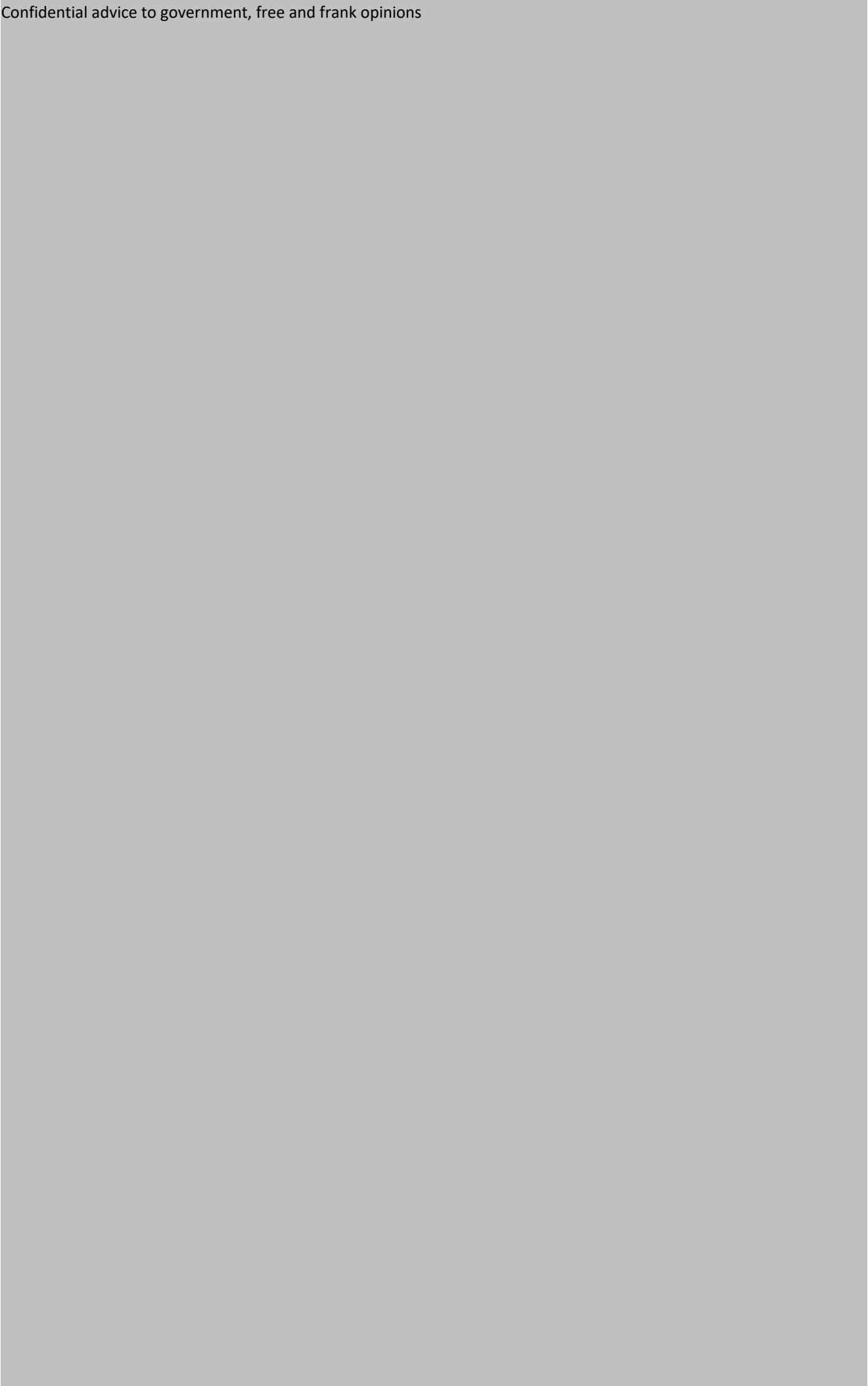
² ABC Business Sales. *Quarterly Market Intelligence Report – March 2025*.

<https://www.abcbusiness.co.nz/blog/quarterly-market-intelligence-report-march-2025>

³ MBIE Business Health and digital Monitor July 2024 <https://www.mbie.govt.nz/dmsdocument/28986-business-motivation-and-development-goals-july-2024>

⁴ Flood of small businesses expected to come up for sale

<https://www.rnz.co.nz/news/business/543775/flood-of-small-businesses-expected-to-come-up-for-sale>



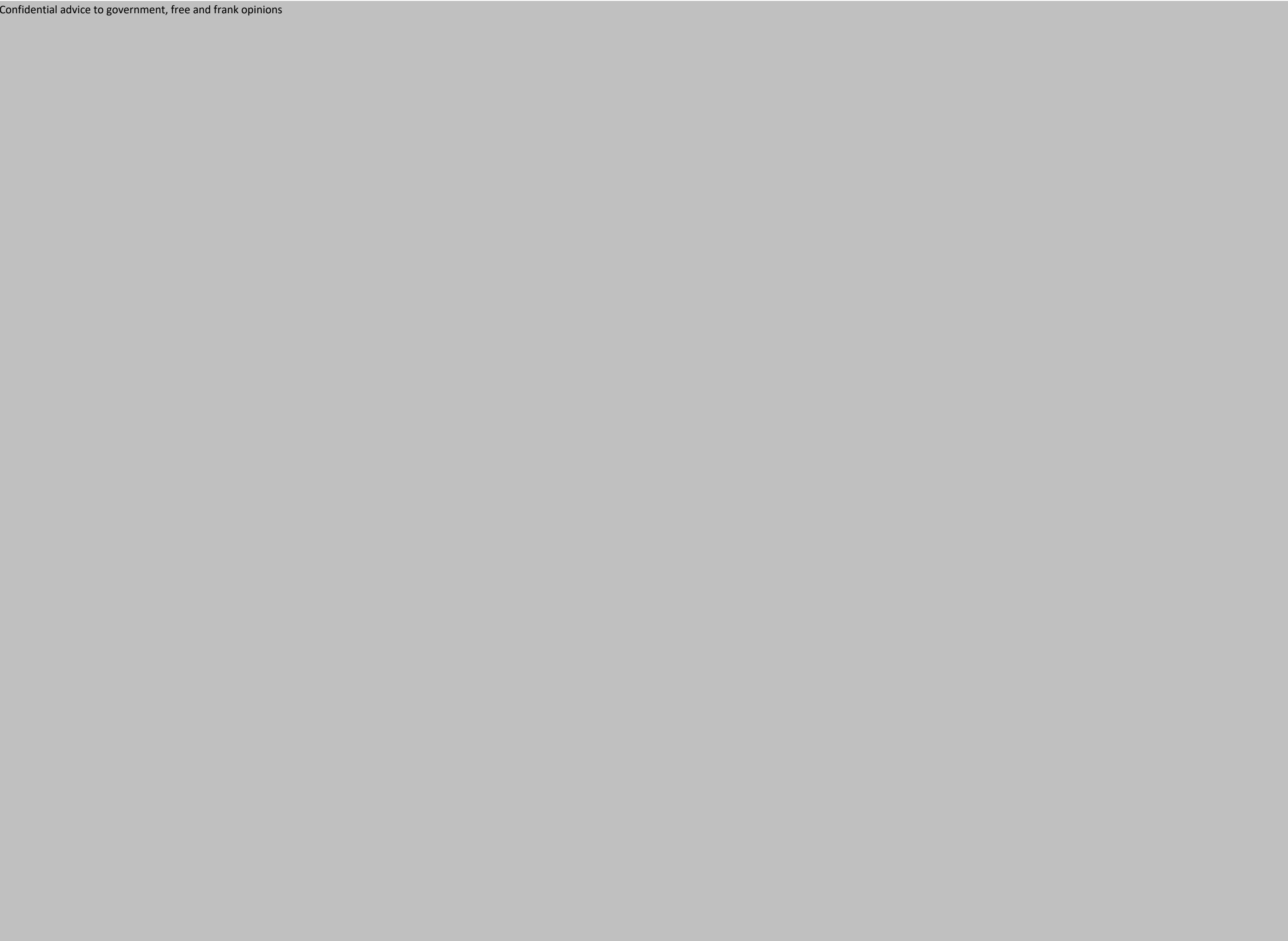












Confidential advice to government, free and frank opinions