

Pre & Post Assessment for Inv 1 & 2 and PRC/TRC Application

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What is the goals?

- Understanding the nominated funds are acceptable investment.
- The investment period starts from AIP date, by email/letter
- Saving time after pre- stage and waiting for transfer and investment



Relevant instructions Inv 1 & Inv 2

BJ3.10.15 Funds already held in New Zealand

- a. Funds held in New Zealand at the time the application is made may be included in investment funds. However, periods of investment in New Zealand before approval in principle cannot be taken into account when calculating the three-year investment period.
- b. Funds held in New Zealand must originally have been transferred to New Zealand through the banking system, or a foreign exchange company that uses the banking system from the country or countries in which they were earned or acquired legally, or have been earned or acquired lawfully in New Zealand (see [BJ7.10](#)).

BJ5.40.15 Funds already held in New Zealand

- a. Funds held in New Zealand at the time the application is made may be included in investment funds, however, periods of investment in New Zealand before approval in principle cannot be taken into account when calculating the four-year investment period.
- b. Funds held in New Zealand must originally have been transferred to New Zealand through the banking system, or a foreign exchange company that uses the banking system from the country or countries in which they were earned or acquired legally, or have been earned or acquired legally in New Zealand.

Relevant Instructions PRC and TRC

F3.10.15 Funds already held in New Zealand

- a. Funds held in New Zealand at the time the application is made may be included in investment funds. However, periods of investment in New Zealand before Approval in Principle cannot be taken into account when calculating the four-year investment period.
- b. Funds held in New Zealand must originally have been transferred to New Zealand through the banking system, or a foreign exchange company that uses the banking system from the country or countries in which they were earned or acquired legally, or have been earned or acquired legally in New Zealand.

V3.120.5.15 Funds already held in New Zealand

- a. Funds held in New Zealand at the time the application is made may be included in investment funds. However, periods of investment in New Zealand before Approval in Principle cannot be taken into account when calculating the two-year investment period.
- b. Funds held in New Zealand must originally have been transferred to New Zealand through the banking system from the country or countries in which they were earned or acquired legally, or have been earned or acquired legally in New Zealand.

Investment period begins

BJ7.25 When the investment period begins

- If the investment already meets the investment requirements, the required investment period begins on the date of the letter of advising approval in principle.
- If the investment is made after approval in principle, the required investment period will begin on the date the investment requirements are met.
- The date the investment period begins is specified in the letter to the successful principal applicant that advises the conditions on their resident visa (see [BJ8.10](#)).

F3.25.25 When the investment period begins

- If the investment already meets the investment requirements, the required investment period begins on the date of the letter advising approval in principle.
- If the investment is made after approval in principle, the required investment period will begin on the date the investment requirements are met.
- The date the investment period begins is specified in the letter to the successful principal applicant that advises of the conditions on their resident visa (see [F3.30.10](#)).

Acceptable investment in Inv 1

BJ3.10.25 Definition of 'acceptable investment'

a. An acceptable investment means an investment that:

- i. is capable of a commercial return under normal circumstances; and
- ii. is not for the personal use of the applicant(s) (see BJ3.10.30); and
- iii. is invested in New Zealand in New Zealand currency; and
- iv. is invested in lawful enterprises or managed funds (see BJ3.10.35) that comply with all relevant laws in force in New Zealand; and
- v. has the potential to contribute to New Zealand's economy; and
- vi. invested in either one or more of the following:
 - bonds issued by the New Zealand government or local authorities; or
 - bonds issued by New Zealand firms traded on the New Zealand Debt Securities Market (NZDX); or
 - bonds issued by New Zealand firms with at least a BBB- or equivalent rating from internationally recognised credit rating agencies (for example, Standard and Poor's); or
 - equity in New Zealand firms (public or private including managed funds and venture capital funds); or
 - bonds issued by New Zealand registered banks; or
 - equities in New Zealand registered banks; or
 - residential property development(s) (see BJ3.10.40); or
 - commercial property (see [BJ3.15.5](#)); or
 - bonds in finance companies (see BJ3.10 (d)); or
 - eligible New Zealand venture capital funds (see BJ3.10.45); or
 - philanthropic investment (see [BJ3.15.10](#)); or
 - 'Angel funds or networks' investments.

Note: New Zealand registered banks are defined by the New Zealand Reserve Bank Act 1989.

Acceptable investment in Inv 2

BJ5.50 Definition of 'acceptable investment'

- a. An acceptable investment means an investment that:
- i. is capable of a commercial return under normal circumstances; and
 - ii. is not for the personal use of the applicant(s) (see BJ5.50.1 below); and
 - iii. is invested in New Zealand in New Zealand currency; and
 - iv. is invested in lawful enterprises or managed funds (see BJ5.50.5) that comply with all relevant laws in force in New Zealand; and
 - v. has the potential to contribute to New Zealand's economy; and
 - vi. is invested in either one or more of the following:
 - bonds issued by the New Zealand government or local authorities; or
 - bonds issued by New Zealand firms traded on the New Zealand Debt Securities Market (NZDX); or
 - bonds issued by New Zealand firms with at least a BBB- or equivalent rating from internationally recognised credit rating agencies (for example, Standard and Poor's); or
 - equity in New Zealand firms (public or private including managed funds and venture capital funds); or
 - bonds issued by New Zealand registered banks; or
 - equities in New Zealand registered banks; or
 - residential property development(s) (see BJ5.50.10) or
 - commercial property (see BJ5.50.20); or
 - bonds in finance companies (see BJ5.50 (d)); or
 - eligible New Zealand venture capital funds (see BJ5.50.15); or
 - philanthropic investment (see [BJ5.40.1](#)); or
 - 'Angel funds or networks' investments.

Note: New Zealand registered banks are defined by the New Zealand Reserve Bank Act 1989.

Acceptable investment in PRC

F3.10.25 Definition of 'acceptable investment'

a. An acceptable investment means an investment that:

- i. is capable of a commercial return under normal circumstances; and
- ii. is not for the personal use of the applicant(s) (see F3.10.30); and
- iii. is invested in New Zealand in New Zealand currency; and
- iv. is invested in lawful enterprises or managed funds that comply with all relevant laws in force in New Zealand (see F3.10.35); and
- v. has the potential to contribute to New Zealand's economy; and
- vi. is invested in either one or more of the following:
 - bonds issued by the New Zealand government or local authorities; or
 - bonds issued by New Zealand firms traded on the New Zealand Debt Securities Market (NZDX); or
 - bonds issued by New Zealand firms with at least a BBB- or equivalent rating from internationally recognised credit rating agencies (for example, Standard and Poor's); or
 - equity in New Zealand firms (public or private including managed funds) (see F3.10.35); or
 - bonds issued by New Zealand registered banks; or
 - equities in New Zealand registered banks; or
 - residential property development(s) (see F3.10.40); or
 - bonds in finance companies (see F3.10.25 (c)).

Note: For the purposes of these instructions, convertible notes are considered to be an equity investment. New Zealand registered banks are defined by the New Zealand Reserve Bank Act 1989.

Acceptable investment in TRC

V3.120.5.25 Definition of 'acceptable investment'

a. An acceptable investment means an investment that:

- i. is capable of a commercial return under normal circumstances; and
- ii. is not for the personal use of the applicant(s) (see V3.120.5.30 below); and
- iii. is invested in New Zealand in New Zealand currency; and
- iv. is invested in lawful enterprises or managed funds that comply with all relevant laws in force in New Zealand (see V3.120.5.35); and
- v. has the potential to contribute to New Zealand's economy; and
- vi. is invested in either one or more of the following:
 - bonds issued by the New Zealand government or local authorities, or
 - bonds issued by New Zealand firms traded on the New Zealand Debt Securities Market (NZDX); or
 - bonds issued by New Zealand firms with at least a BBB- or equivalent rating from internationally recognised credit rating agencies (for example, Standard and Poor's); or
 - equity in New Zealand firms (public or private including managed funds) (see V3.120.5.35); and or
 - bonds issued by New Zealand registered banks; or
 - equities in New Zealand registered banks; or
 - residential property development(s) (see V3.120.5.40); or
 - bonds in finance companies (see (c) below).

Note: For the purposes of these instructions convertible notes are considered to be an equity investment. New Zealand registered banks are defined by the New Zealand Reserve Bank Act 1989.

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funds**

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Nominated funds' ownership and acceptable investment's ownership

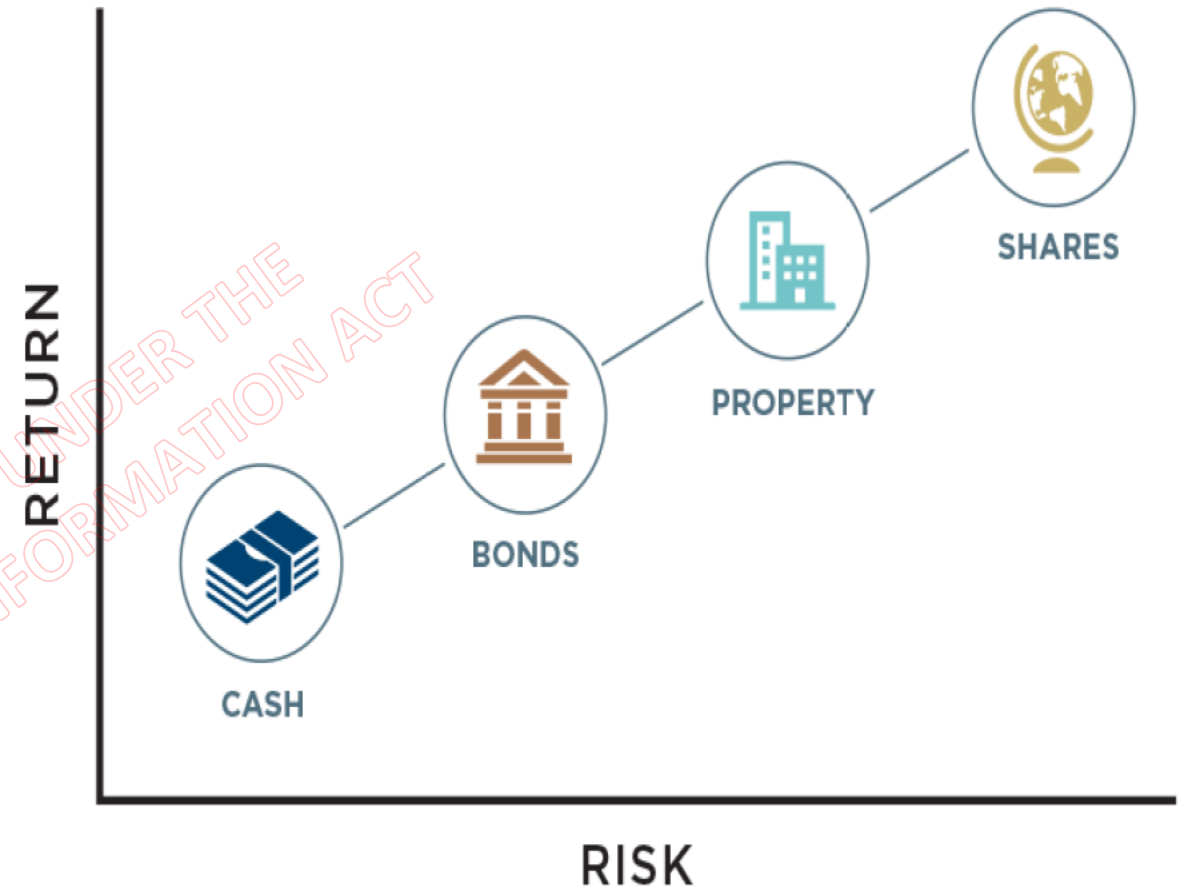
- Solely by the PA; or
 - Jointly owned by PA and SA(s); or
 - Jointly by the PA and a person who is not included in the application, the PA only claim the value of that portion of funds
-
- Solely by the PA; or
 - Jointly owned by PA and SA(s);

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Ownership

Funds already in NZ

- Assessing how the nominated funds are transferred to NZ
- If the funds are transferred to NZ through banking system



The chart is for illustrative purposes only indicating the risk and return profiles from a NZD perspective. It should not be regarded as investment advice. This does not take into account your financial position, financial needs, financial goals or risk tolerance. We recommend talking to an investment adviser before making any investment decisions. Source: Craigs Investment Partners.

Common Acceptable Investment

Company's equity

Property under company's name

Investment portfolio(Bonds or shares/stocks

Trust

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Property already in NZ

- The property is under PA or joint(PA and SA) names, and the property is the nominated funds.
- If the NZ property is the nominated funds at the pre- stage, then at TOFI stage the property will be liquidated and invested in acceptable investment.



Equity in NZ firm(Public or Pravity)

At Pre & Post – AIP stage:

- The nominated funds are the PA's shares in the NZ company. PA needs to provide the valuation of the company showing PA shares valuation
- The acceptable investment is the PA's equity in the NZ company

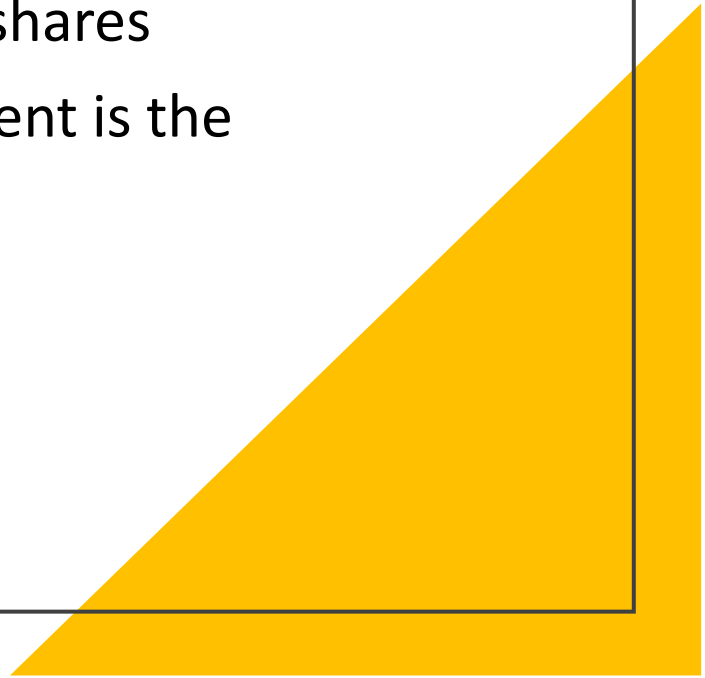
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Equity, Shares or NZ Debt Securities Market

At Pre & Post – AIP stage:

- The nominated funds is the value/clean cost of the shares
- The acceptable investment is the clean cost of the shares

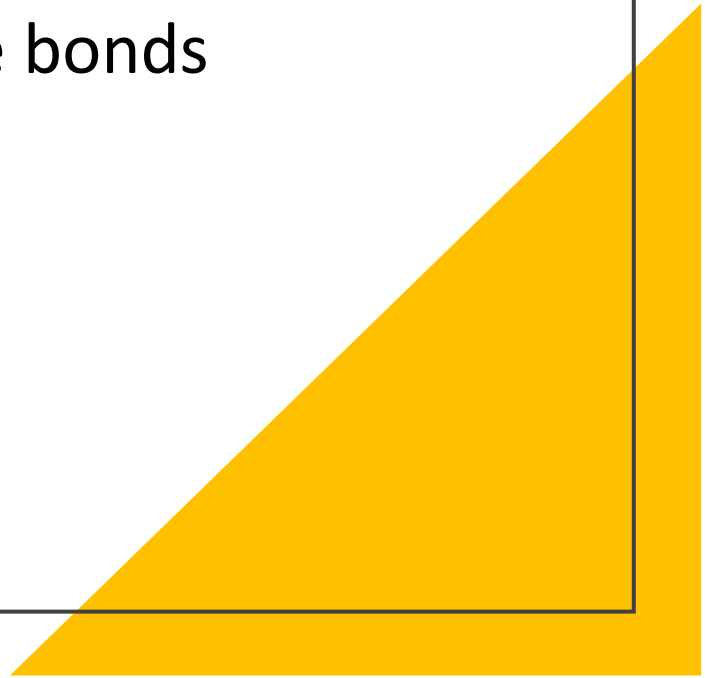
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Bonds

- The nominated funds is the value/clean cost of the bonds
- The acceptable investment is the clean cost of the bonds

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Residential
Property
Development(
New
Development)

- Most Residential Property Development investments are through NZ company
- Similar to assessing investment in NZ equity (shares valuation in assessing nominated funds, company's equity as a completed investment.) we don't need to assess underline investment

Commercial Property in NZ

- The nominated funds is the valuation of the commercial property
- The acceptable investment is the how much PA or his company invests into the commercial property/valuation of the commercial property

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- Can the PA claim the NZ property as acceptable investment, and PA rents out the property for commercial return and does not use as personal use?
- Son-in-law gives NZ company shares to PA under Inv 2 application, is it an acceptable investment for pre & post application? the investment was made by PA?

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