

Investor Visa update & ASIC advice for SIV applicants

SW summarises the key changes to investor visas and notes important advice from ASIC regarding who is legally allowed to provide financial investment advice in Australia.

11 August 2021

Recognising that the growth of the Business Innovation and Investment Program (BIIP) is continuing to support Australia's post-COVID-19 recovery through the investments and other economic contributions of visa applicants, the Federal Government has exempted all visas in the BIIP class with regard to travel restrictions to Australia. Additionally, late in 2020 the Department of Home Affairs announced that it would fast track Significant Investor Visa (SIV) and Investor Visa (IV) applications.

In 2020, a review of the BIIP program visa classes saw a reduction in the number of visa streams from nine to four, which included the cancellation of the Premium Investor, Significant Business History and Venture Capital Entrepreneur visas. It is expected that these changes will lead to an increased interest in the refurbished 188 SIV and IVs.

Overall, the changes are seen as being positive, with the attractive features and flexibility of BIIP continuing to prove popular to applicants.

What has changed for SIV and IV classes?

Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs, Alex Hawke, announced in May that the "Increased investment thresholds and the adjustment of investment ratios to focus more on venture capital and private growth equity will better support innovation and emerging enterprises in Australia".

From 1 July 2021 the following CIF ratios will apply to both the Investor and the Significant Investor Visa streams:

- 20 per cent venture capital and Private Growth Equity funds (VCPE)
- 30 per cent funds investing in emerging companies
- 50 per cent in balancing investments
- Improvements to the Complying Investment Framework will include:
 - A clearer definition of Fund of Fund (FoF)
 - Applicants will be given 6 months to enter into their VCPE agreement, in lieu of the previously allowed 12 months.
 - A tightening of Emerging companies rules to close previous loopholes.
 - Fund managers will need to complete an annual audit for all of the funds they manage. The managers we work with are all committed to these changes including the annual audits.

A summary of these changes implemented from 1 July 2021 can be accessed [here](#).

How we can help

For SIV and IV applications made between 1 July 2015 and 1 July 2021, the old rules will remain in place and the SW advisory team continues to provide advice and assist applicants and visa holders to manage and implement SIV and IV portfolios.

If you are considering applying under the post 1 July 2021 rules, our team can provide complete advice and assistance for:

- Visa applications
- Complying investments
- Financial review and wealth considerations
- Investment advice
- Relocation and concierge services
- Tax and accounting structure and services



Accountants & Advisors

Important note regarding Significant Investor Visa – Advice from ASIC

It has been found that some SIV applicants have been victims of serious financial fraud in Australia. Australia's corporate regulator ASIC (the Australian Securities and Investments Commission) has expressed growing concern to the Department of Home Affairs (DHA) about investment referrals to particular managed fund products when visa applicants are being provided with immigration assistance.

Where a registered migration agent (RMA) or Australian legal practitioner refers a SIV applicant to a managed fund product, the referral might involve the RMA or Australian legal practitioner providing financial product advice under the Act.

With a message originating from the Immigration Integrity and Assurance Branch of the Department of Home Affairs, the Office of Migration Agents Registration Authority (OMARA) emailed all RMAs on 23 July to reiterate who can, and cannot, provide financial advice to Managed Fund Products under Australian law.

It stipulates that **a person cannot provide financial advice in Australia unless the person holds an Australian Financial Services License (AFSL).**

ASIC recommends that you encourage SIV applicants to seek independent financial advice and, as far as possible, that you refer SIV applicants only to fund managers with robust risk and governance frameworks.

The BIIP is a world class program, competing with other investment visa programs around the world to attract highly sought after investment capital. This reminder from OMARA and ASIC seeks to help to protect investors and enhance the integrity of the BIIP and assist visa applicants to obtain better quality investment advice that will lead to better investment outcomes.

How we can help

SW Wealth holds an authorised AFSL registration with ASIC and can assist with investment opportunities and advice. We can be found on the Financial Advisors Register, published by ASIC, here on the [MoneySmart website](#).

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