

Immigration

Changes to the Immigrant Investor Programme

Date: 27th August 2013

Changes in Relation to the Immigrant Investor Programme

Minister Shatter's Announcement of Updates and Changes in relation to the immigrant Investor Programme on 5th July 2013

The Immigrant Investor Programme was introduced alongside the Start-Up Entrepreneur Programme and was formally launched in April 2012 to assist economic recovery in Ireland and to encourage and facilitate non-EEA nationals, who are entrepreneurs and investors, to establish themselves and invest in Ireland. High net worth individuals from outside the EU can receive residence rights in return for a qualifying investment in Irish businesses, in Government Bonds, property or by way of endowments, which by extension, amounts to the saving or creating Irish jobs.

The Minister for Justice, Equality and Defence, Mr Alan Shatter, TD, ("the Minister") announced some significant changes to the Immigrant Investor Program on 5th July 2013.

Application Evaluation and Financial Commitment

The level and duration of financial commitment required from each investor has depended on the nature of the investment in question. The general range of financial commitments typically varied from €400,000 in respect of endowment related investments to approximately €2 million in relation to low interest bearing Government bonds.

Recent Changes Announced to the Immigrant Investor Programme

The changes announced followed a review of the programme after its first year in operation and are intended to make the programme more attractive to potential investors and are as follows:

- 50% Reduction in the Investment Threshold for the Government Bond Option from €2m to €1m
- 50% reduction in the enterprise investment requirement from €1m to €500k
- Creation of a new category of investment in a managed fund which would invest in Irish businesses and projects. The required investment under this option will also be set at €500k
- Some smaller downward adjustments in respect of mixed investment involving property and in respect of group endowments

Notably, the programme will give recognition to the importance of tertiary education and will allow for some recognition of tuition fees paid to Irish educational institutions for the children of investors whereby educational fees could form part of the overall investment required. In addition, the revised programme will be marketed abroad making use of Ireland's embassy network and the State agencies involved in the promotion of trade investment and enterprise.

Following a review of the scheme certain changes were recommended to the Government. The changes recommended to the investment options under the programme for the approval of the Government are set out in the table below:

Option	Current Scheme	Revised Scheme
Immigrant Investor Bond	€2m invested in a 5 year bond at 1% pa	€1m invested in the bond at 0% interest rate
Enterprise investment	€1m invested in an Irish enterprise for 3 years	€500,000 invested in an Irish Enterprise for 3 years
Investment Funds	N/A	€500,000 invested in an approved fund
Mixed investment	Investment in a residential property of minimum value of €500,000. This property investment must be matched euro for euro with an immigrant investor bond investment	Investment in a residential property of minimum value of €450,000 and a straight investment of €500,000 into the immigrant investor bond, giving a minimum investment of €950,000. The level of investment into the bond would no longer be linked to the value of the property purchased.
Endowment	€500,000 philanthropic donation by an individual	€500,000 philanthropic donation by an individual (€400,000 where 5 or more individuals pool their endowment for one appropriate project).

Applications under the scheme are assessed by an Evaluation Committee chaired by the Department of Justice and Equality with membership drawn from the Departments of Finance, Jobs Enterprise and Innovation, Foreign Affairs and Trade, the IDA and Enterprise Ireland. The Evaluation Committee has adopted a code of practice to ensure that the evaluation process is operated with integrity and in a transparent manner. Communication in relation to applications will occur only between the Evaluation Committee and the applicant, or his or her nominated legal or financial representative. No third party submissions or communications will be permitted.

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