



# Streamlining the Business Innovation and Investment Program (BIIP)

## Summary of changes implemented on 1 July 2021

Current BIIP		Streamlined BIIP from 1 July 2021	
Entry Stream	Key requirement	Stream	Key requirement~
Investor (subclass 188)	<ul style="list-style-type: none"> <li>Designated Investment of \$1.5 million (for four years)</li> <li>Invested in a state or territory government bond</li> <li>65 points on business innovation and investment points test</li> <li>Nominated by a State or Territory government</li> </ul>	Investor (subclass 188)	<ul style="list-style-type: none"> <li>Complying Investment of \$2.5 million (held for the duration of the provisional visa)</li> <li>65 points on business innovation and investment points test</li> <li>Functional English (or pay 2<sup>nd</sup> VAC)</li> <li>Under 55 (unless waived by nominator)</li> <li>Reside in Australia for at least two years</li> <li>Nominated by a State or Territory government</li> </ul>
Significant Investor (subclass 188)	<ul style="list-style-type: none"> <li>Significant Investment of \$5 million (for four years):</li> <li>10% in Venture Capital</li> <li>30% in Emerging Businesses</li> <li>60% balancing investment</li> <li>Nominated by a State or Territory government, or Austrade</li> </ul>	Significant Investor (subclass 188)	<ul style="list-style-type: none"> <li>Complying Investment of \$5 million (held for the duration of the provisional visa)</li> <li>Functional English (or pay 2<sup>nd</sup> VAC)</li> <li>Reside in Australia for an average of 40 days/year for primary visa holders or 180 days per/year for secondary visa holders before applying for the permanent visa</li> <li>Has access to an extension stream (for up to 4 years)</li> <li>Nominated by a State or Territory government, or Austrade</li> </ul>
Premium Investor (subclass 188)	<ul style="list-style-type: none"> <li>Premium Investment of \$15 million (for one year)</li> <li>Nominated by Austrade</li> </ul>		
Business Innovation (subclass 188)	<ul style="list-style-type: none"> <li>Minimum net assets of \$800,000</li> <li>Owned a business with \$500,000 annual turnover</li> <li>65 points on business innovation and investment points test</li> <li>Nominated by a State or Territory government</li> </ul>	Business Innovation (subclass 188)	<ul style="list-style-type: none"> <li>Minimum net assets of \$1,250,000</li> <li>Owned a business with \$750,000 annual turnover</li> <li>65 points on business innovation and investment points test</li> <li>Functional English (or pay 2<sup>nd</sup> VAC)</li> <li>Under 55 (unless waived by nominator)</li> <li>Reside in Australia for at least one year</li> <li>Has access to an extension stream (for up to 2 years)</li> <li>Nominated by a State or Territory government</li> </ul>
Significant Business History* (subclass 132)	<ul style="list-style-type: none"> <li>Have \$1.5 million in net assets and owned a business with \$3 million in annual turnover</li> <li>Nominated by a State or Territory government</li> </ul>		
Entrepreneur (subclass 188)	<ul style="list-style-type: none"> <li>Have an agreement in place with an approved third party funding body for at least \$200,000</li> <li>Nominated by a State or Territory government</li> </ul>	Entrepreneur (subclass 188)	<ul style="list-style-type: none"> <li>Endorsement by a state or territory government and service providers in state and territory innovation ecosystems</li> <li>Competent English</li> <li>Under 55 (unless waived by nominator)</li> <li>Reside in Australia for at least two years</li> </ul>
Venture Capital Entrepreneur* (subclass 132)	<ul style="list-style-type: none"> <li>Have an agreement in place with an approved third party funding body for at least \$1 million</li> <li>Nominated by a State or Territory government</li> </ul>		

~ Applicants will be able to apply for permanent residence after holding the 188 for 3 years if all requirements. Their initial subclass 188 visa will be valid for 5 years

\* Direct to permanent streams will no longer be offered

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### Changes to the Complying Investment Framework (CIF)

Current Investment		Investment required from 1 July 2021	
Entry Stream	Key requirement	Stream	Key requirement
Investor	<ul style="list-style-type: none"> <li>Designated Investment of \$1.5 million (for four years)</li> <li>Invested in a state or territory government bond</li> </ul>	Investor	<ul style="list-style-type: none"> <li>Complying Investment of \$2.5 million (held for the duration of the provisional visa):</li> <li>20% in Venture Capital (\$500,000)</li> <li>30% in Emerging Businesses (\$750,000)</li> <li>Up to 50% balancing investment (\$1,250,000)</li> </ul>
Significant Investor	<ul style="list-style-type: none"> <li>Significant Investment of \$5 million (for four years):</li> <li>10% in Venture Capital</li> <li>30% in Emerging Businesses</li> <li>60% balancing investment</li> </ul>	Significant Investor	<ul style="list-style-type: none"> <li>Complying Investment of \$5 million (held for the duration of the provisional visa):</li> <li>20% in Venture Capital (\$1,000,000)</li> <li>30% in Emerging Businesses (\$1,500,000)</li> <li>Up to 50% balancing investment (\$2,500,000)</li> </ul>

The following improvements will be also be made to the CIF from 1 July 2021.

Measure	Current State/ Issue	From 1 July 2021
Define Fund of Funds	Currently Fund of Funds is referred to in the general requirements of the instrument but is not defined.	The definition of Fund of Fund will be: <ol style="list-style-type: none"> <li>i. A 'fund of funds' is generally a managed investment fund that invests in other funds.</li> <li>ii. an investor is permitted to invest in managed investment funds through a fund of funds or investor directed portfolio service provided the managed investment fund(s) in which the a fund of funds or investor directed portfolio service invests comply with the other requirements of the complying investment framework.</li> </ol>
VCPE agreement time	Currently applicants are given up to 12 months to enter into their Venture Capital and Private Growth Equity (VCPE) funds agreement.	Applicants will be given 6 months to enter into their VCPE agreement.
Emerging companies debentures	Ensure the emerging companies investment is made into securities that properly meet the market capitalisation requirements for the emerging companies component of the CIF.	The investment must not be made in: <ol style="list-style-type: none"> <li>i. securities issued or proposed to be issued by a government; or</li> <li>ii. debentures; or</li> <li>iii. securities that otherwise meet the requirements under this section but where the issuer of those securities invests the proceeds of the issue of those securities in securities that do not meet the market capitalisation requirements.</li> </ol> <p>Note: For example, a small exchange traded fund which invests in the securities of large capitalised companies is excluded under this paragraph.</p>

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Clarify use of derivatives	Specify that complying investments may only be made in a derivative if the investment is not designed to substantially reduce or completely eliminate the exposure of an investor to the risk of loss from changes in the market price of an investment.	<p>An investment may be made in a derivative, only if:</p> <ul style="list-style-type: none"> <li>a. the investment is made for risk management purposes; and</li> <li>b. the investment is not a speculative investment; and</li> <li>c. the investment is not designed to materially reduce or completely eliminate the exposure of an investor to the risk of loss from changes in the market price of an emerging companies investment.</li> </ul> <p>Note: Hedging of currency and interest rate risks will be permitted under Emerging Companies, however capital guarantee products will be prohibited.</p>
Clarify use of VCPE fund of funds	Current CIF only specifies Fund of Funds use for managed investment funds.	<p>Add "Venture capital fund" to the following definition:            Managed investment fund and <b>venture capital fund</b> investment —fund of funds or investor directed portfolio services.            An investment in a managed investment fund or venture capital fund may be:</p> <ul style="list-style-type: none"> <li>a. made through a fund of funds or an investor directed portfolio service, if the investment is otherwise in accordance with the requirements of this Part; and</li> <li>b. held in cash in the fund of funds, or investor directed portfolio service:               <ul style="list-style-type: none"> <li>i. for a period of up to 30 days after the time the funds are first made available for investment; and</li> <li>ii. during any switching period mentioned in the Regulations.</li> </ul> </li> </ul>
Annual audits	Fund managers should be required to have an annual audit of their CIF compliance completed and a copy of this report attached to each Investor visa (IV) or Significant Investor visa (SIV) application at both the provisional (subclass 188) and permanent (subclass 888) stages	<p>Fund managers will need to complete an annual audit for all of the funds they manage. A copy of the annual audit will need to be provided to each of their IV and SIV clients, so they can attach it to their visa applications.</p> <p>The audit report will be required by the Department of Home Affairs before the time of decision for the visa application.</p>

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### Changes to the Business Innovation and Investment Points Test

The requirements below have been updated to align with the overall changes to the Business Innovation and Investor streams.

All other aspects of the Business Innovation and Investment points test are unchanged.

Item	Current requirement	From 1 July 2021	Points
<b>Part 7A.6 Investor experience qualifications—Investor stream only</b>			
7A61	held eligible investments which had a value of not less than AUD100 000 for not less than 4 years immediately before the time of invitation to apply for the visa	held eligible investments which had a value of not less than AUD250 000 for not less than 4 years immediately before the time of invitation to apply for the visa	10
7A62	held eligible investments which had a value of not less than AUD100 000 for not less than 7 years immediately before the time of invitation to apply for the visa	held eligible investments which had a value of not less than AUD250 000 for not less than 7 years immediately before the time of invitation to apply for the visa	15
<b>Part 7A.7 Financial asset qualifications</b>			
7A71	not less than AUD800 000 in each of the 2 fiscal years immediately before the time of invitation to apply for the visa	not less than AUD1 250 000 in each of the 2 fiscal years immediately before the time of invitation to apply for the visa	5
7A72	not less than AUD1 300 000 in each of the 2 fiscal years immediately before the time of invitation to apply for the visa	not less than AUD1 750 000 in each of the 2 fiscal years immediately before the time of invitation to apply for the visa	15
7A73	not less than AUD1 800 000 in each of the 2 fiscal years immediately before the time of invitation to apply for the visa	not less than AUD2 250 000 in each of the 2 fiscal years immediately before the time of invitation to apply for the visa	25
7A74	not less than AUD2 250 000 in each of the 2 fiscal years immediately before the time of invitation to apply for the visa	not less than AUD2 750 000 in each of the 2 fiscal years immediately before the time of invitation to apply for the visa	35
<b>Part 7A.8 Business turnover qualifications</b>			
7A81	not less than AUD500 000 in at least 2 of the 4 fiscal years immediately before the time of invitation to apply for the visa	not less than AUD750 000 in at least 2 of the 4 fiscal years immediately before the time of invitation to apply for the visa	5
7A82	not less than AUD1 000 000 in at least 2 of the 4 fiscal years immediately before the time of invitation to apply for the visa	not less than AUD1 250 000 in at least 2 of the 4 fiscal years immediately before the time of invitation to apply for the visa	15
7A83	not less than AUD1 500 000 in at least 2 of the 4 fiscal years immediately before the time of invitation to apply for the visa	not less than AUD1 750 000 in at least 2 of the 4 fiscal years immediately before the time of invitation to apply for the visa	25
7A84	not less than AUD2 000 000 in at least 2 of the 4 fiscal years immediately before the time of invitation to apply for the visa	not less than AUD2 250 000 in at least 2 of the 4 fiscal years immediately before the time of invitation to apply for the visa	35