



Aspen Global Incorporations Limited

A Guide to the Hong Kong New Capital Investment Entrant Scheme

HONG KONG PANAMA

INTRODUCTION

The New Capital Investment Entrant Scheme (“New CIES”) is a program launched by the Government of the Hong Kong SAR which allows qualified individuals to relocate to Hong Kong by making a capital investment in the form of financial assets. The entrant is allowed to make his choice of investments amongst permissible assets without the need to establish or join in a business in Hong Kong.

This scheme offers eligible individuals the opportunity to migrate to Hong Kong by making a minimum investment of HKD30,000,000 (approx. USD3.85 million) in Permissible Investment Assets. Once the applicants have met the Portfolio Maintenance Requirements and maintained continuous ordinary residence in Hong Kong for a period of seven years, they and their dependents are entitled to apply for Hong Kong permanent residence.

WHO CAN APPLY?

The following nationals are eligible to apply:-

- Chinese nationals who have obtained permanent resident status in a foreign country;
- Chinese residents of Taiwan;
- Macao Special Administrative Region residents; and
- Foreign nationals with the exclusion of nationals of Afghanistan, Cuba and Democratic People’s Republic of Korea

ELIGIBILITY CRITERIA

The applicants shall be:-

- Age 18 or above;
- Have no adverse immigration record and meet normal immigration and security requirements;
- Have net assets of not less than HKD30 million (or equivalent in foreign currencies) throughout the two years preceding the application; and
- Make investment of a minimum of HKD30 million (or equivalent in foreign currencies) in the Permissible Investment Assets

- Able to demonstrate to the Immigration Department that they are capable of supporting and accommodating themselves and their dependents, if any, on their own without relying on any return on the Permissible investment assets, employment, self-employment, office, business or public assistance in or carried on in Hong Kong as the case may be. In addition, the entry of dependents will be subject to any other policy applicable to such entry at the time.

APPLICATION PROCEDURE AND TIMELINE

Before an Applicant submits an Entry Application for a visa/entry permit to enter Hong Kong and/or remain in Hong Kong for residence under the New CIES to the Immigration Department, they are required to first approach the New CIES Office of Invest Hong Kong (“Invest HK”) for verifying whether they have fulfilled the Net Asset Requirement.

The New CIES is open for applications throughout the year.

Applicants can fill in the information of their appointed agent when they submit an application. If Applicants need to change their agent’s information or appoint another agent after submitting application, they have to submit a written authorisation letter to the New CIES Office.

Applicants may use an eligible private company which has been set up less than six months for their application for assessment on Investment Requirements. There is no minimum incorporation period required.

If the Family-owned Investment Holding Vehicle (“FIHV”) has been established for less than one year, an annual operating expenditure of at least HK\$2 million shall be incurred by the end of the first year of the establishment of the FIHV and each subsequent applicable year.

Applicants are required to appoint a Certified Public Accountant (practicing) at their own cost to assist in demonstrating fulfillment of the Net Asset Requirement. After getting approval in principle, applicants are required to enter Hong Kong to make the committed investment. Permission to stay will normally be granted to applicants and their dependents. Yearly reporting is required to demonstrate the fulfillment of Portfolio Maintenance Requirements.

Applicants are allowed to work, be an office-holder or self-employed, or join in a business in Hong Kong.

WHAT ARE THE PERMISSIBLE ASSETS?

Applicants are required to place HKD3 million which is subject to a Lock up period into the new CIES Investment Portfolio which is set up and overseen by the Hong Kong Investment Corporation Limited (HKIC). The selected fund managers of the CIES Investment Portfolio are expected to make investments bringing contribution to the long-term development of Hong Kong's economy and society by accelerating exploration and investments in areas of cutting-edge technological innovations.

Separately, applicants are further required to invest a minimum of HKD27 million in any of the following Permissible Investment Assets:

- Equities (required to trade in HKD or Renminbi)
- Debt securities (required to trade in HKD or Renminbi)
- Certificates of deposits (subject to a cap of HKD3 million) (required to trade in HKD or Renminbi)
- Subordinated debt (required to trade in HKD or Renminbi)
- Ownership interest in limited partnership funds registered under the Limited Partnership Fund Ordinance (subject to a cap of HKD10 million)
- Eligible collective investment schemes
- Real estate (subject to an aggregate cap of HKD15 million of which the investment in residential real estate is capped at HK\$10 million)

WHAT ARE THE PORTFOLIO MAINTENANCE REQUIREMENTS?

Applicants must deposit their permissible financial assets into a designated account operated by an eligible financial intermediary, use the designated account exclusively for the transaction of permissible financial assets and must not reduce the committed investment while permitted to stay in Hong Kong under the New CEIS.

Applicants are not required to top-up the value of their investment in Permissible investment assets should its Market value fall below the requisite minimum level of HK\$30 million Net even in the event of a total loss.

If an applicant disposes of or realises the value of the permissible financial assets, applicant needs to reinvest not less than the entire market value in Permissible Investment Assets by the specified deadline.

VISA RENEWALS

Applicants are required to first approach Invest HK not earlier than 3 months before expiry of limit of stay (granted for 24 months upon first entry or 36 months upon extension of stay) for verifying continuous compliance with the Portfolio Maintenance Requirements

Applicants and their dependents, where any, are required to submit an application for extension of stay to the Immigration Department before expiry of limit of stay, notwithstanding the relevant certifying proof may have not yet been secured from Invest HK.

Depending on whether the certifying proof is subsequently submitted, the Immigration Department will decide on the application for extension of stay. Upon satisfaction of the Immigration Department from immigration perspectives that the Applicant and their dependents still meet the eligibility criteria under the New CIES, extension of stay for not more than three years will normally be granted.

Further applications for extension of stay for not more than three years should follow the same application procedures.

PERMANENT RESIDENCE

Applicant and dependents may apply for Hong Kong Permanent Residence or Unconditional Stay after continuously satisfying the Portfolio Maintenance Requirements for not less than seven years.

Dependents are allowed to take up employment or study if they are permitted to reside in Hong Kong as dependents under the New CIES.

If you would like additional information on this topic, please contact us at enquiries@aspenoffshore.com, or contact our Hong Kong office.

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