



# IMMIGRATION MATTERS



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## INVESTING IN CANADA

Often I am asked if purchasing a business or home will assist in securing permanent residency for Canada.

The question really is reflective of the cart and horse displacement.

In itself, a business or real estate being owned in Canada does not guarantee entry on a permanent basis. The right to enter is based on the “experience” factor of the person applying. Immigration Canada will look to the previous 5 year history of the applicant to determine if the business previously owned by the person has met two of the four following criteria:

Gross \$500,000 per year

Net \$50,000 per year

Employment of 2 individuals

Net equity \$125,000.

Only if these conditions are met, will the person be allowed to qualify for permanent residency for Canada and in turn be allowed to purchase a business, with a minimum value of \$125,000 CDN. So the purchase of the business is only relevant, after the individual has been admitted as a resident.

There is, however, another method for obtaining permanent residency based on investing – the Federal Investor Program. Once again, the potential immigrant must pre-qualify by showing that he or she has an overall worth of \$800,000 and has managed at least 5 people, as a senior manager, during 2 of the 5 years prior to the application. Only then, will Canada Immigration approve the person for the investor program. The potential immigrant then has the privilege of lending to the Government of Canada, the sum of \$400,000 for a period of 5 years, which sum the government will quite happily return to the immigrant, without interest!

There are approximately 2,000 such visas issued each year under the investor category worldwide.

For individuals who wish to take a greater risk, without the assurance of permanent residency, but for temporary entry, there are avenues under Section 205 of the Immigration Regulations by which they can enter Canada, either on an intra-corporate transfer basis to set up the branch office of a foreign national subsidiary, or to create business opportunities which will contribute “significant benefits” to the economy and employment of Canada. Temporary entry pursuant to these routes could potentially lead to permanent residency, because such avenues do offer an additional 15 points under the skilled worker category. Thus, if an individual is short on points and has ability to work in Canada pursuant to either of these temporary entry routes, a permanent residency could, in fact, be perfected.

Lastly, the Provincial Nominee Program, which is monitored by the Government of British Columbia, also assists individuals seeking permanent residency, to first work in Canada for a 2 year period on a temporary basis, if the person has an excellent business idea in mind, usually in the areas of manufacturing, agriculture, health, education and tourism. The Provincial Nominee Program certainly will entertain most ideas involving business start-ups or expansions provided specific personal funds are invested by the potential immigrant and job opportunities are created for Canadians.

For the potential immigrant, it is best to obtain competent immigration, taxation and corporate advice before purchasing any business with the view of obtaining permanent residency.

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