

Government of Canada to Eliminate Immigrant Investor and Entrepreneur Programs

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On February 11, 2014, the Government of Canada announced its intention to terminate the Federal Immigrant Investor Program ("IIP") and Federal Entrepreneur Program ("EP") and eliminate the large backlog of applications. These immigration-related announcements were contained in the Canadian Government's 2014 Budget (the "Economic Action Plan 2014").

The Economic Action Plan 2014 proposes to terminate IIP and EP applications filed on or before February 11, 2014, and to return the filing fees paid to those applicants. However, before this plan can be implemented, the *Budget Implementation Act* must still be passed by Parliament and receive Royal Assent.

According to [Operational Bulletin 566](#) ("OB 566"), published by Citizenship and Immigration Canada ("CIC") on February 12, 2014, the processing of IIP and EP applications will continue according to routine office procedures until further notice. Of course, Canada has [not accepted any new IIP applications](#) since July 1, 2012, and has [not accepted any new EP applications](#) since July 1, 2011. OB 566 refers only to cases currently in the backlog.

There has been no announcement regarding which cases currently in the backlog will be processed to completion. Based on the process used by CIC when it eliminated the backlog of Federal Skilled Worker cases, it is likely that the *Budget Implementation Act* will terminate all applications that have not reached a specific stage of approval by a specified cut-off date. Unfortunately, there is no information available regarding what stage of completion and what cut-off date will be used.

According to the Canadian Government, the global economy has changed significantly since the IIP was created three decades ago. Investment capital flows increasingly freely across borders,

and interest rates are low. Other peer countries have already adapted by increasing the investment and commitment required under their programs.

The Canadian Government has also stated that the EP was designed in the 1970s when Canada's economic priorities were different from what they are today. At that time, the focus was on protecting jobs in Canada. However, a more globalized economy requires a shift towards innovation, productivity and creating better jobs and stronger businesses that can compete on a global scale.

In place of the these programs, the Canadian Government will introduce a new Immigrant Investor Venture Capital Fund pilot program, which will require immigrants to make a real and significant investment in the Canadian economy. The Government will also undertake consultations on a potential Business Skills pilot program.

These new pilot programs will be implemented by way of Ministerial Instructions, pursuant to Section 14.1 of the *Immigration and Refugee Protection Act* ("IRPA")¹, in the same manner as the [Start-Up Visa Program](#). Under Section 14.1, no more than 2,750 applications may be processed each year under a pilot program. In addition, a pilot program may only be implemented for a maximum period of five years, after which the Canadian Government must amend IRPA if it wishes to establish a permanent program.

¹ S.C. 2001, c. 27.