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Federal budget: Government dumps immigrant investor, entrepreneur programs Quebec investor stream remains unaffected

BY TOBI COHEN, POSTMEDIA NEWS FEBRUARY 11, 2014

OTTAWA – The federal government is eliminating once-and-for-all the much-maligned immigrant investor and entrepreneur streams, refunding applications for 66,000 individuals at a cost of \$2 million.

The decision, announced in Tuesday's budget, will not, however, affect the Quebec investor stream, which has also come under fire for allowing wealthy immigrants to enter the country, invest in the province, then set up shop in British Columbia or Ontario.

"In recent years, significant progress has been made to better align the immigration system with Canada's economic needs. The current immigrant investor program stands out as an exception to this success," say budget documents.

"For decades, it has significantly undervalued Canadian permanent residence, providing a pathway to Canadian citizenship in exchange for a guaranteed loan that is significantly less than our peer countries require."

Critics, including Employment Minister Jason Kenney, have said the program is little more than a cash-for-visa scheme that fast-tracks permanent residency for those who can cough up \$800,000 which is actually just a loan that's returned in five years. It's also not much compared to other countries, which have set thresholds as high as \$1.6 million.

The investor program has been temporarily shelved since July 2012, while the entrepreneur program has been on hold since July 2011. Those in the backlog were being processed during that time but the wait could take a decade in some cases.

About 59,000 immigrant investor applications will be tossed as a result of the decision, along with 7,000 entrepreneur applications.

The government is working on a pair of pilot projects, including a new Immigrant Investor Venture Capital Fund and business skills program to replace the streams.

The government previously introduced a start-up visa to lure entrepreneurs to Canada with the promise of automatic residency even if their venture failed.

Kenney has long complained that the now defunct entrepreneur program merely attracted shopkeepers rather than a potential Bill Gates or Steve Jobs.

Other immigration measures in the budget:

-The federal government is expected to generate \$100 million in new tax revenue by the end of 2018-2019 by eliminating the five-year tax exemption that's allowed wealthy new immigrants to avoid paying taxes on offshore assets.

-The government will commit \$11 million over two years and \$3.5 million ongoing to strengthen the Labour Market Opinion process to ensure Canadians get a crack at available jobs ahead of temporary foreign workers.

-The government is committing \$14 million over two years, and \$4.7 million a year in ongoing funding, to support the implementation of the Expression of Interest system for economic immigrants. This will allow provinces and employers to cherry-pick from a bank of vetted potential immigrants rather than assess people on a first come, first served basis. The program is poised to launch in January 2015.

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