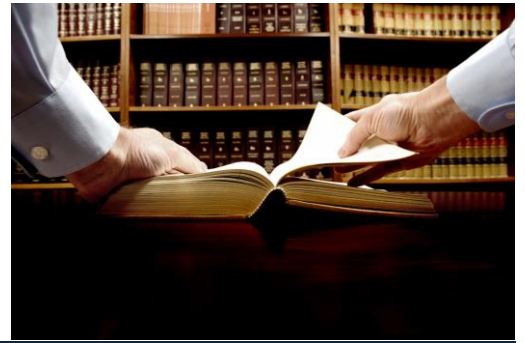


inBrief



Invest in Start-ups in Canada: Qualify for Canadian Citizenship

By Shahram Safai and Alex Vromans | 14 February 2023

Venture capital (investing in startups) has been a popular form of investment for many over the years. In recent years, Canada's Start-up Visa Program has offered Canadian permanent residency (leading to Canadian citizenship upon qualification) to immigrant investors as well as immigrant entrepreneurs with the skills and potential to build businesses in Canada that are innovative; can create jobs for Canadians; and can compete on a global scale.

A qualifying immigrant investor can now invest a minimum of CAD115,000 in a qualifying Angel Fund and a qualifying startup (and an approved immigrant entrepreneur can manage and operate such start-up) in order to qualify for Canadian permanent residency. Based on past cases, it takes between two to two and a half years to process such application and to obtain Canadian residency if all proceeds in the ordinary course. Such investor and entrepreneur could further qualify for Canadian citizenship by remaining in Canada for three years (during a five year residency).

Under this program, designated organizations (certain venture capital funds, angel investor groups or business incubators) choose which startup investment business proposals to review and to invest in. The startup does not even have to be in Canada: it can be a foreign startup and then the immigrant entrepreneur can relocate with the start-up to Canada and become eligible for Canadian residency. Each designated organization has its own intake process for proposals and criteria used to assess the proposals. If a designated organization chooses to support the start-up business idea, it will give applicants a Letter of Support. For example, for an incubator, such Letter of Support will mean that the incubator is willing to accept the start-up into its program and help the business grow in Canada while providing guidance and expertise. As a result, the investor and entrepreneur are not alone in growing the start-up: they receive support and direction from the incubator, in addition to obtaining Canadian residency leading to Canadian citizenship upon qualification.

The Author



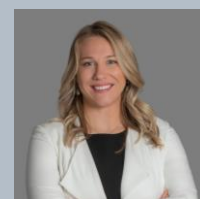
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Shahram is a partner at Afridi & Angell. His practice consists of advising on tax, venture capital, corporate law and real estate. He heads the firm's tax, venture capital and real estate teams and has been highly sought after by boards and shareholders for strategic legal advice. Shahram is qualified as a solicitor in England and Wales and is a member of the California State Bar. He is also a registered professional engineer. Shahram is Chairman of the Canadian Business Council of Dubai and the Northern Emirates.



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Finally, it is important to note that the ability to communicate and work in English, French or both languages will help a start-up succeed in Canada. As a result, applicants will have to take a language test from an approved agency. Applicants will also need to give proof that they have sufficient initial funds to support themselves and their dependents after arrival in Canada. For example, this requirement can be satisfied for a family of four if an applicant and family bring CAD25,000 to Canada. ■

As one of the most established law firms in the UAE with an office in Toronto, Canada, Afridi & Angell can assist investors and entrepreneurs with application to Canada's Start-up Visa Program and the start-up qualification process in co-operation with leading lawyers in Canada. Please join us for the seminar "Navigate Canadian Immigration Opportunities" on March 9, 2023 in Dubai to learn more. For more information, contact us at: Shahram Safai, Partner, ssafai@afриди-angell.com.

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