

Investment Migration for Citizenship and Domicile Diversification

By: John Maniatis, July 2022

In an increasingly unpredictable world, the desire and necessity to secure greater global access and choice has skyrocketed. High-net-worth investors across the world are seeking out alternative business, career, educational, and lifestyle opportunities on a global scale, enhancing their options and transcending the constraints imposed on them by their countries of origin to improve the resilience of their portfolios and ensure physical and financial longevity.

Acquiring alternative residence and/or citizenship by participating in reputable investment migration programs enables greater flexibility and participation in the world's leading economies as well as optionality, which is fast becoming an essential part of any family's insurance policy for the 21st century. The more jurisdictions a family can access, the more diversified its assets, and the lower its exposure to country-specific and global volatility.

The USA remains one of the biggest markets for investment migration. The common denominator among US investors seeking alternative residence and citizenship is diversifying their domicile and citizenship portfolios to hedge against geopolitical risk. Most clients do not relocate but they want to overcome the limitations and associated risks of being restricted to a single jurisdiction — they are seeking optionality in the event they want or need to settle elsewhere. Recent political and social turmoil in the United States itself is causing this to shift, however, and more investors are considering moving families to other countries for a range of reasons, from safety and security, to their education, to healthcare, and even crypto-friendliness.

Investment migration was pioneered in the 1990s

Henley & Partners is the global leader in residence and citizenship by investment and created the concept of residence and citizenship planning in the 1990s. As globalization expanded,

the concept of acquiring alternative residence and additional citizenship by making an investment has gained the attention of a rapidly rising number of internationally mobile entrepreneurs and investors.

The firm also runs a thriving government advisory practice that has raised more than USD 10 billion in foreign direct investment. Henley & Partners has been involved in strategic consulting and the design, set-up, and operation of the world's most successful residence and citizenship by investment programs that meet the needs of private clients and investors while also advancing the economic goals of sovereign clients.

An investment to secure future optionality

At the time the first modern investment migration programs were developed, the industry was largely unformed, unknown, and unregulated. Today, by contrast, residence and citizenship by investment are part of every astute investor's portfolio. The number of programs is increasing steadily as governments tap into their potential to boost capital and talent inflows. The investment migration industry is now an established and fast-growing feature of the global economic landscape.

Investment migration enables wealthy individuals to acquire alternative residence or citizenship in another country in exchange for a significant economic contribution to that country, whether in the form of a capital transfer, a donation, various investment options, real estate acquisition, or establishing a business to create employment.

Investment migration programs are designed to manage the combination of risk and opportunity for investors by simultaneously diversifying the distribution of assets and permitting access to a significantly expanded set of possibilities for investment, global influence, and travel as well as residence in a country of their choice for those who wish to relocate temporarily or permanently.

Residence versus citizenship by investment programs

Residence by investment programs provide high-net-worth investors with the option of physically relocating and the right to live, work, study, and receive healthcare in their new countries of residence. Citizenship by investment programs provide the privilege of acquiring alternative citizenship and with it, all the rights that come with being a citizen of that country, including greater travel freedom on its passport and the right to settle in another country, or in certain circumstances multiple countries.

More than 100 countries have some form of investment migration legislation in place. Of these, about 35 programs are running successfully, many of which were designed and set up by Henley & Partners.

A smart wealth planning innovation

The past few years have seen investment migration transform from being a luxury lifestyle product to become a sophisticated investment choice. More than simply being about ease of travel or acquiring a vacation home, alternative residence and citizenship also encompass portfolio diversification, global investment and operations, and the creation of a new inheritance and identity for the family, particularly by providing access to exceptional education options.

By extending their wealth planning and legacy management strategies to include investment migration, investors are catalyzing the transition to new lives in carefully selected countries that offer a better quality of life, where they and their families feel more comfortable and secure, and where they envisage a future that is better aligned with their aspirations, both now and for generations to come.

Futureproof your family, your lifestyle, and your wealth

The significant volatility that is being experienced globally in terms of both wealth and lifestyle has seen alternative residence and citizenship shift from being 'nice-to-have' assets of convenience and privilege to becoming 'must-have' essential assets, not just to survive, but to thrive in a

changed world. Investment migration can be used to hedge ongoing volatility and facilitate both wealth portfolio and holistic lifestyle diversification that creates significant new value.

High-net-worth investors recognize that investment migration products can be used to add impetus to their wider wealth planning and legacy management strategies to protect against further downside and to create new value and enhance personal happiness and wellbeing. Many sovereign states that host investment migration options offer levels of comfort and security that for much of the world have been severely challenged by the current crisis and the geopolitical turmoil that has erupted in many countries, both highly developed and developing, in recent times.

Through investment migration, affluent investors can overcome the limitations of being restricted to a single jurisdiction. To cover all eventualities, an integrated portfolio of complementary investment migration options will create optimal value by permitting ultra-high-net-worth investors and their families to live, work, and invest in a suite of locations worldwide, thereby hedging manifold levels of volatility and creating enhanced yield.

An investment in sustainability — For investors and host nations

Investment migration programs create significant sovereign and societal value by delivering a source of sustainable liquidity that provides monetary and fiscal autonomy as it is an equity injection. This 'sovereign equity', as Henley & Partners has dubbed it, can be used to drive economic growth and core infrastructure development, enhancing the lives of all citizens. This immediate and debt-free mechanism for raising capital is much needed as nations worldwide grapple to recover from Covid-19 and deal with the consequences of the current conflict in Europe.

The host nation–investor relationship is mutually beneficial: many investment migration countries provide safe and peaceful alternative environments for affluent individuals seeking to

safeguard their families, who in turn contribute to their chosen destination in terms of their capital, talent, and wealth.

Sophisticated advisory and adept consultancy ensure unrivaled service

Henley & Partners knows that each investor has unique and deeply complex needs. As the industry pioneer and leader, we are best placed to guide you and your family through the global investment migration landscape and advise on the most suitable residence and citizenship options. Visit henleyglobal.com for more information and to arrange a consultation with one of our specialist client advisors.

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