

Global Residence and Citizenship Options Tailored for Asia's HNWIs and Families

Jonathan Tang, Sales Director in Hong Kong at investor migration consultancy Henley & Partners, presented a detailed Workshop at the Hubbis Independent Wealth Management Forum to highlight some alternative overseas residence and citizenship options of appeal to Asian high-net-worth individuals (HNWIs) and their families.

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HENLEY & PARTNERS HAS A history of more than 20 years with staff across the world in over 30 offices. Tang explained that Henley also works with certain governments around the world to structure and promote their residence and citizenship programme, for example, Malta and most recently Moldova in Europe.

To access wealthy individual or family clients, Henley has long experience of working with a variety of private banks and wealth management firms across the region, as well as with legal and other advisory and services firms to connect to clients.



JONATHAN TANG
Henley & Partners





“Our business is all about tailoring solutions and guiding clients carefully through what is often a long and complex process to achieve their residence or citizenship goals,” he elucidated. “Taking the right steps towards a new residence or citizenship must be carefully considered and the process must be professionally managed.”

Tang reported that secondary residence or citizenship is an increasingly compelling story for wealthy business people and families from the Asia region. There are many concerns that people have in this world,” he said, “so acquiring a second residence or citizenship is a wise investment decision and an insurance policy for the future. This is one of the core reasons why we are seeing such robust growth in demand from Asian clients.

Visa-free travel is a core motivation compelling many of clients to seek residence in selected countries elsewhere in the world. “Citizens from countries such as Indonesia, Thailand and the Philippines need visas to travel almost anywhere outside the ASEAN countries,” he noted.

Residence or citizenship?

Citizenship confers the same nationality on children and their offspring, meaning that wealth made in Asia can provide a platform for a different life for family heirs and their future generations. Education overseas is often a key contributing factor to these decisions.

Residence by investment is the less complex option, while citizenship by investment is, understandably, the more rigorous and more expensive option.

Tang first focused on Asia, before moving on to the Caribbean and European alternatives that Henley currently promotes. He also prefaced his talk by noting that all programmes the firm promotes have passed Henley & Partners due diligence as having the appropriate jurisdiction and laws and practices.

Hong Kong: open for business

His first port of call was Hong Kong, commenting that the country has an open economy with free-market practices and low taxation. He noted that according to the immigration policy, Hong

Kong is open for most applicants but the former capital investment entrance scheme (CIES) was suspended in January 2015 until further notice.

“Today it is QMAS,” he reported, “which stands for the quality migrant admission scheme. In short, this assesses the applicant with a points test comprising several categories that the immigration department will look at, namely age, academic and professional qualifications, work experience, language proficiency, for example whether they know Cantonese, Chinese, Mandarin or English or even other languages, talent and family and family background.”

Another entry route is the working visa, for which there are a variety of assessments to demonstrate the applicant is of a good education, work experience and will work in a well-paid job that has been agreed in advance, subject to work permit permissions.

The third route is as an entrepreneur. “There are some restrictions under this regime,” he noted, “so mainland Chinese and selected other countries cannot opt for this



route, although there are some exemptions. In terms of the requirements, this is very similar to other visas, including of course evidence that there is no security objection or no serious crime in respect of the applicant. Of course, this is subject to an approved business plan and suitable investment.”

Tang reported that after an applicant obtains any one of these visas, they can apply for permanent residence upon completion of seven years ordinary residence in Hong Kong.

Thailand - the land of smiles

He shifted his focus to Thailand’s Elite residency programme, explaining that there are seven options for the applicant to choose from, with fees varying from the equivalent of roughly THB 2 million equivalent to around USD60,000 and resulting in a visa from five to 20 years residency.

He then highlighted Singapore’s Global Investor Programme or GIP. To be eligible the individual must possess or prove he or she has a very good track record as an entre-

preneur for at least three years, the applicant must own at least 30% of the company and the company must have a turnover of at least SGD50 million in the prior year and an average of at least SGD50 million for the last three years.

Singapore: quality at a price

“If that is all ok,” Tang reported, “then there are a variety of significant investment thresholds that the applicants must meet, ranging from SGD2.5 million in either a new business or expanding an existing business entity in Singapore. And for a family office, the family must be worth at least SGD 400 million, the office must invest at least SGD2.5 million and the assets under management at least SGD 200 million.”

Once these criteria have been met, then the applicant(s) will have the permanent residence status in Singapore and a re-entry permit for five years. “After the first five years the re-entry permit will be renewed for another five years provided the applicant and his/her dependents are staying

in Singapore for more than half of the time in the past five years. Once they qualify for being in the PR scheme, they can apply for Singapore citizenship two years later but, there is a maximum of one-year absence from Singapore during the two years before the date of application. Finally, Singapore does not allow dual citizenship, so that means once you get the Singapore passport you have to give up your original nationality.”

Henley’s preferred options outside Asia

There are currently several countries which Henley promotes as offering the best citizenship programmes. These have a direct legal route to citizenship based on capital contribution and all have also passed Henley’s country due diligence. Three of these are within the European Union, one is in Europe but close to Eu membership and four are in the Caribbean.

In Europe, the three key destinations the firm currently promotes are Malta, and Cyprus due to their combination of regulatory



accessibility, cost and the reasonable demands placed on the applicants. And Moldova has recently been added.

The Caribbean waves ‘welcome’

In the Caribbean, Henley focuses on four locations that currently offer the most appropriate and effective packages. They are Grenada; Antigua and Barbuda; Saint Kitts and Nevis; and Saint Lucia. Tang highlighted certain key advantages of Grenada, including fast processing time, relatively low cost inexpensive, visa-free travel to 131 countries including China, an E-2 Investor Visa Treaty (which has some advantages for the US), zero wealth, gift, inheritance, foreign income or capital gains tax and finally citizenship by descent.

Grenada requires either a contribution to the National Transformation Fund of US\$150,000 for a single applicant or purchase of government approved and designated real estate with a value of at least \$350,000. If an investor

chooses the real estate option, there is an additional flat government fee of \$50,000. There are other smaller fees associated with these applications.

Europe: Malta shines, Cyprus appeals, Moldova sets out to attract

Tang also focused in some detail on the two core European options within the European Union (EU), namely Malta and Cyprus, as well as on a new entrant to the list of options, Moldova, currently outside the EU but with some close and growing connections to it.

Malta, for example, has the lowest capital requirements to gain EU citizenship, he explained. There is no requirement for a lengthy physical presence for applicants and no laws currently restricting the passing of citizenship down generations.

Malta: a leading European option with EU advantages

Malta has the only European citizenship-by-investment programme that is currently endorsed by the EU

and nationality is protected by European law. A Malta passport holder can enjoy visa-free travel to over 180 countries, and the citizenship gives the right of employment and establishment in all 28 EU countries, EEA, the European Economy Area as well as Switzerland. The Malta Individual Investor Programme, MIIP, was first launched in March 2014 and up to now has added over USD1 billion to Malta’s economy.

“The feature of this programme is that there is a very high level of due diligence,” Tang reported. “Only highly reputable applicants will be accepted by the government. We designed the programme and we manage it together with the Government of Malta. There is a 12-month process before citizenship documents and passports are issued and at least a Eu650,000 non-refundable contribution is required to begin the process.”

The second requirement is that main applicant has to either lease a property with annual rental value over Eu16,000 or purchase a property in Malta with value over Eu350,000 and also the main applicant once it is approved, the ap-

plicant has to buy the government bond to the amount of Eu150,000 which is strictly for at least five years and lastly all applicants they must have to hold a very global health insurance policy with the coverage at least Eu50,000 throughout the whole programme.

Tang added that under this programme any dependents under the age of 27, as long as that adult dependent is still financially dependent on the main applicant, can be included in the application as a family member as well. "Aside from the EU citizenship and travel benefits, Malta has an excellent education system and wonderful history," he concluded.

The appeals of Cyprus

EU member Cyprus has plentiful advantages but has a larger minimum capital requirement of Eu2 million. Moreover, the government of Cyprus has not worked with Henley's Government Advisory team, nor implemented the firm's recommended due diligence standards.

Tang explained that there are several options to choose from. Number one, the applicant can invest Eu2 million in real estate or purchase land or invest Eu2 million in the local business activities

or they can invest Eu2 million in what the government calls alternative investment funds. "You can combine these three elements to the total of Eu2 million, as well," Tang noted, "but if it is a combination package then you must also purchase government bonds in Cyprus for the amount at least Eu0.5 million.

As an investor in their citizenship program, clients hold real estate there, and with all the progress Cyprus is making the asset market appears positively placed, Tang noted. And the property itself can be let out for income.

Here comes Moldova. Where? What?

Another option Tang highlighted is the Moldova Citizenship-by-Investment programme which is a relatively new programme launched in October this year. Moldova, he reported, is located in Europe with a population of 4 million people and has entered into an association agreement with the EU and is aiming to become a candidate country for EU membership soon.

"As for the visa-free travel, a Moldova citizen can enjoy visa-free travel to over 120 countries," Tang explained, "including Rus-

sia, Turkey and countries in the European Schengen areas. This programme was launched in 2018 October and full citizenship with a passport will be granted to the applicant as well as his family members. The end result is citizenship in a European country with a very open culture and continental climate and a very comfortable environment in Moldova. We designed the programme, we manage it with the government and it has excellent due diligence as with Malta."

The entry requirements are a non-refundable contribution to the public investment fund from a minimum Eu100,000 for a single applicant up to Eu155,000 for a family of five plus. In addition to the contribution, there is government service provider and licence agent fees are Eu3500 per application.

Tang concluded by reiterating how protective Henley is of its reputation and how the firm pays great attention to the integrity of the host countries' programmes. "The firm requires that any clients go through a very thorough, tough internal due diligence and compliance process," he reports. "Once through this, our clients are in an excellent position to obtain residence or citizenship in their preferred jurisdiction." ■

