

Henley & Partners Opens the Door to a World of Investment Migration Options

Dominic Volek, Managing Partner, Head Southeast Asia at investment migration consultancy Henley & Partners, and Daphne Chandra, the firm's Singapore-based Country Head for Indonesia, presented a detailed and highly informative Workshop to delegates at the Hubbis Indonesia Wealth Management Forum in Jakarta in October. Their talk highlighted just how many viable alternatives there are for Asia's HNWIs seeking alternative citizenship or residence around the globe.

VOLEK HAD OFFERED DELEGATES AN EXCELLENT OVERVIEW OF HENLEY & PARTNERS' ACTIVITIES and of investment migration earlier in the day in a lively and insightful presentation [see associated Article: [Henley & Partners Extols the Virtues of Alternative Residence and Citizenship](#)].

Chandra's mission in the Workshop, she reported, was to convey both the opportunities available and also the relationships that Henley & Partners (Henley) can strike up with the wealth management intermediaries that typically bring Henley many of their clients around the Asia-Pacific region, and to direct the discussion also towards Indonesian HNWIs.

She explained that she is Indonesian herself and based in Singapore to cover the Southeast Asia region, noting that there is continued growing demand for residency and citizenship services in countries such as the Philippines, Thailand, Vietnam and most certainly in Indonesia. She reported that Henley works closely with wealth management firms such as those assembled at the Forum.

A country for all reasons

Volek then reiterated some of the points he had made earlier about Henley's background and expertise, telling delegates the firm's activities span the private client business, which focuses



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on the needs of high net worth (HNW) and ultra-HNW clients who seek secondary residence or an alternative citizenship through investment, as well as the government advisory practice, where Henley works with countries to design, implement and promote their individual investment migration programmes.

Volek explained that over 20 years ago, Henley has pioneered this concept of residence and citizenship planning. At the time Henley was formed, the concept of residence and citizenship planning was hardly known of, but today it has become an integral part of wealth management and of the planning put in place by forward-thinking families.

Henley & Partners' expertise

"We are experts in residence and citizenship planning," he reported. "We advise HNWI and ultra-HNWIs on identifying and obtaining alternative citizenship or we help them to get permanent residence in other countries." The other element of Henley & Partners' business is the government advisory practice, where the firm strategically advises governments on the design, set-up and

implementation of their investment migration programmes.

"To date," Volek stated, "we have helped governments raise more than USD8 billion in foreign direct investment. We are the pioneers and industry leaders in both the private client and government advisory sides of the business."

Chandra explained that the global trend towards offshore residence and citizenship is even more intense in Asia due to the phenomenal rise in the number of HNWI and UHNWIs in the wider Asia Pacific region. According to the Credit Suisse Global Wealth Report 2019, Japan and China led the top three gainers for millionaires from 2018 to 2019, second only to the United States, while India was the seventh biggest gainer of millionaires; collectively Japan, China and India contributed to an additional 379,000 millionaires from 2018 to 2019. Among the UHNW group, China is a clear second after the United States with 18,130 UHNWIs. And the trend is set to continue.

He noted that today Henley has a worldwide staff of over 300 across 32 offices, and with more than 60 of those in Asia. And added that the largest number of the Asian team are based in the

Singapore regional HQ, with other regional offices in Bangkok, Kuala Lumpur, Ho Chi Minh City, Manila and more recently Melbourne, Australia, which the firm opened in late 2018.

"Asia's HNWI and the ultra-rich should seriously consider these citizenship-by-investment (CBI) and residence-by-investment (RBI) options," Volek said, "and as they will need the best professional advice, they should consider Henley, as the reputed leader in this advisory business."

Tailored to Indonesians

Chandra explained that Henley has a wide variety of Indonesian clients of all ages, religions and ethnic backgrounds, all motivated by a variety of different factors, from lifestyle to political concerns, to look at these alternative residence and/or passport options.

Indonesia does not permit dual citizenship, so for any local to consider CBI, that would be a significant decision, requiring them to give up their Indonesian citizenship, which very few wish to do.

"Our business is all about tailoring solutions and guiding clients carefully through what is often a long and complex pro-

cess to achieve their residence or citizenship goals,” Chandra explained. “Taking the right steps towards a new residence or citizenship must be carefully considered and the process must be professionally managed.”

Visa-free travel is a core motivation compelling many clients to seek an alternative citizenship in selected countries elsewhere in the world. For Muslim clients, especially those from Muslim majority countries such as Indonesia, there are natural concerns over travel and global access.

RBI is of course the less complicated option, while CBI is, understandably, the more rigorous and more expensive option.

Chandra then ran through the leading programmes the firm promotes today, from Austria, Malta, Cyprus, in Europe to St. Kitts, Antigua, St. Lucia, Grenada, and Dominica in the Caribbean, as well as some newer options of late, such as Italy, Turkey, Moldova and Montenegro.

The Caribbean - visa-free alternatives

In the Caribbean, the main focus for clients is really on the travel freedom offered, with five countries offering CBI programmes, namely Antigua and Barbuda, St. Kitts and Nevis, Grenada, Dominica and St. Lucia.

The Caribbean model is typically one whereby the applicant has the option to either donate to a government fund or invest into real estate which then they can hold for three to seven years depending on which country they choose. The costs will range anywhere from USD100,000 to about USD300,000 in terms of the investment amount required.

The programme has the princi-

pal applicant and then his or her spouse can be included as well as any children below 18 years old, while dependent adult children (up to specific ages) can also be included, as well as dependent parents of the principal applicant and their spouse. Grenada also recently announced the main applicant can include unmarried siblings in their application, which is a first.

As to application processing times, this takes anywhere between three and six months from the date of submission. The outcome in the Caribbean is usually that clients obtain powerful passports from these Commonwealth countries, offering visa-free access to Europe, the UK, Singapore, Hong Kong and so forth.

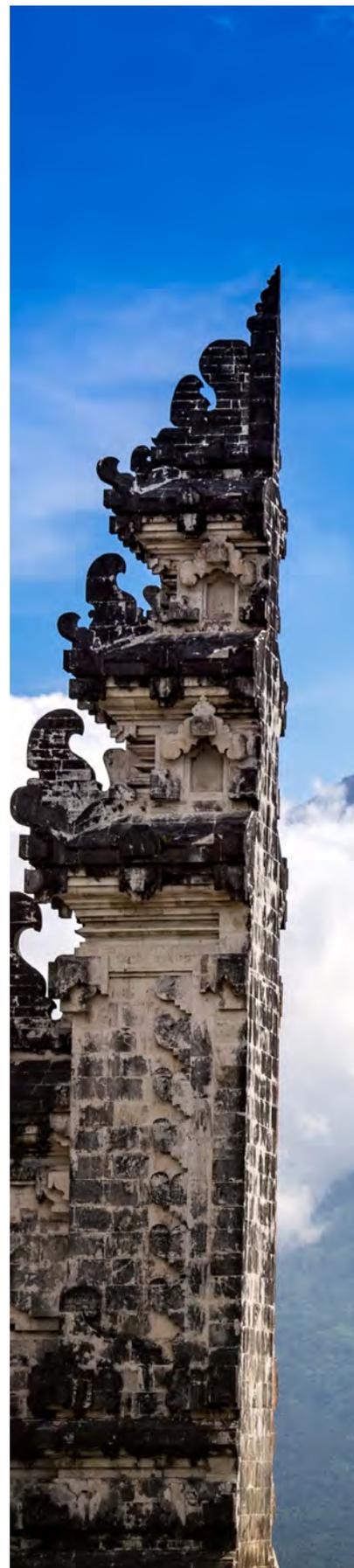
Grenada is unique in that it is one of only about 15 countries in the world that has visa-free access to China, which is excellent for entrepreneur clients doing business there.

As to the types of investments, Chandra explained that these are often high-quality. Henley clients are typically investing into branded five-star resorts, or hotels, getting a title deed on a unit or several units that are part of the resort, which are managed by a world-renowned hotel operator, so it is a relatively simple investment.

And the flexibility of these Caribbean programmes means the clients are not required to visit the island, except in the case of Antigua and Barbuda where after obtaining citizenship, clients need to visit the island for five days within the first five years.

Europe’s many appeals

Moving on to Europe now, Chandra highlighted some key opportunities there, noting that over the last 10 years the range of options on offer for either citizenship or



residence has risen from just two or three countries doing these programmes to more than 20 today.

For EU citizenship, besides Malta and Cyprus, Austria offers what is perhaps the ‘Rolls Royce’ of programmes, but it comes at a hefty price. Austria does not have an actual CBI programme, but if an individual significantly contributes economically to the country they can be granted citizenship and that means starting with a donation of at least EUR3 million or investment of EUR8 million. These must be into specific projects which Henley can help to identify and structure, and then show the government how this has created significant economic benefits and all going well, the client then receives citizenship in about two years.

Malta’s history beckons

Malta is another good example, benefitting from significant uplift in its revenues through its Malta Individual Investor Programme (MIIP). Malta is a member of the EU and with a population of just more than 400,000 residents offers a passport with visa-free travel

to 183 countries, including the US. The MIIP was launched in 2014 and requires a donation of EUR650,000 to the government for the principal applicant, plus EUR25,000 for their spouse, as well as EUR25,000 for each applicant under 18 years old.

The applicant must also buy a property in Malta at a value of at least EUR350,000 or rent a property for at least EUR16,000 per year and must invest in a Maltese financial instrument of at least EUR150,000 and leave that money intact for at least five years. And the applicants must hold private health insurance. The all-in cost for Malta will thus typically range between EUR900,000 to EUR1.2 million depending on the size of the family, and processing times from application to getting the passport takes about 16 to 18 months. This includes a mandatory 12-month residency period, although that does not mean the applicant needs to be physically residing in Malta during that time. At the first stage of the process, which is quite quick, Henley submits the residency application,

which is granted usually within a week or two. The applicants then need to hold that residence card for 12 months and establish genuine links to the country before the citizenship is approved. The resident card is very useful as it offers free movement to any Schengen country without having to get a visa. Upon citizenship, clients will then hold a European passport with settlement freedom throughout the EU.

Cyprus – a home by the sea

Chandra also focused on Cyprus, which along with Malta is the current ‘go-to’ programme in the EU. Cyprus requires an investment of EUR2 million, usually into real estate which must be held for five years. The applicant will also have to donate EUR75,000 to the Institution of Research and Innovation as well as another EUR75,000 to the Cyprus Land Development Organisation.

Cyprus also offers the opportunity for individuals to achieve tax residence by spending 60 days per year in the country itself as long as they are not spending





more than 183 days in any other single jurisdiction and are not a tax resident elsewhere. There is a 12.5% corporate tax rate, and no inheritance or gift tax in Cyprus which is one of the most attractive tax jurisdictions in Europe. Adding further appeal to Cyprus is an upcoming casino resort development, City of Dreams Mediterranean, which will be Europe's largest casino resort, due to open in 2021, and owned and operated by the Macau-based owner of City of Dreams as principal.

The newer CBI options

The latest entrants in Europe are the recently introduced CBI programs in Moldova and Montenegro. Although not part of the EU, the Moldova Citizenship-by-Investment programme is extremely cost-competitive when compared with the Caribbean programmes and provides similar visa-free access to the Schengen region in addition to Russia and Turkey.

Moldova offers visa-free travel to 119 countries and is also a Commonwealth of Independent State country. This means that Moldovan citizens can go to Russia, Ukraine and Belarus without a visa. The citizenship programme processing is highly efficient within just 90-days and requires a donation of EUR100,000 plus incremental amounts for dependents up to a total of EUR155,000 for a family of five or more. There is also a government service fee of EUR35,000 per application.

Meanwhile the Montenegro CBI Program is limited to just 2,000 applicants and offers individuals several options in terms of investment, including a EUR450,000 investment in projects in developed areas or a EUR250,000 investment in proj-

ects in less developed regions. Applicants are also required to pay a contribution of EUR100,000 per application, which is directed to a special fund for the growth of underdeveloped areas.

As well as being a NATO member, Montenegro is a recognized candidate for future membership of the EU and is currently aligning its policies with those of the EU as part of the standard accession process. Now ranked 46th on the Henley Passport Index with a visa-free/visa-on-arrival score of 122, the country has an admirable safety record and a strong commitment to the rule of law. The World Bank has classified the country as one of the fastest-growing Balkan economies.

Chandra noted that Montenegro is the next country that is due to become an EU member, currently slated for 2025-2026.

RBI alternatives

Chandra then turned her attention to the RBI schemes, the most interesting of which currently are Greece, Portugal, Malaysia, Thailand and the UK with its Tier 1 Investor Visa, the last of which can also result in citizenship, but only after at least five years of residence.

She explained that RBI generally involves investing into a country, obtaining a residence visa for typically four to five years, and if the client spends enough time there, keeps their investment, learns the local language, they may often qualify to apply for citizenship later. The main drivers are education and lifestyle, so this route is more about physically uprooting and moving to another country to enjoy those benefits.

The UK Tier 1 investor visa is still very popular particularly with Henley clients, especially from

Commonwealth countries such as India or Malaysia that have long connections to the UK. For many in Asia, a home in London is a natural step when they are wealthy.

Chandra noted that the other two top-rated RBI options in Europe are Portugal and Greece. Portugal requires a real estate investment of a minimum of EUR350,000 while Greece involves an investment of just EUR250,000, resulting in permanent residence granted in two to three months. Both are in the EU and also in the Schengen zone.

With a Portuguese Residence Card, holders can travel to an additional 26 countries in the Schengen Area, which means Indonesians can go to 99 destinations globally without the need of a prior visa.

Greece offers RBI for just EUR250,000 through a property investment, thereby giving access to a beautiful country of numerous islands, as well as free access to public healthcare and education.

Chandra reported that Portugal has also enjoyed strong demand from Asia and requires a minimum of only EUR350,000 invest-

ed into real estate for residence, and the applicant effectively needs to spend only seven days every year in Portugal. And after the fifth year, they are also eligible to apply for citizenship subject to additional criteria.

Asia's doors are also open

And in Asia, Henley promotes programmes such as Thailand Elite. Henley has been the official global concessionaire for the residency program offered by the Thai government for nearly three years. Thailand is welcoming and geographically comfortable to reach, its residency programme has garnered a lot of interest from neighbouring countries.

Within this RBI category, Chandra explained that Thailand has enjoyed a rapid increase in demand for its Thailand Resident Card, which is available for between five and 20 years and at a cost of between the equivalent of USD16,000 to USD60,000.

She had last year informed delegates that Indonesians had been taking this up in increasing numbers as it is appealing and Thailand

is a nearby SE Asian country. “It also has some attractions as from the moment you arrive in the country, you go through what they call the VIP route, sailing quickly through immigration and being offered a variety of nice limo, golf and healthcare services as part of the package,” she had explained.

While Singapore has become increasingly popular, it is also ever tougher as a residence or citizenship option. A much more economically appealing option is Malaysia. For the country's second home option it offers a 10-year residency, and it is very straightforward, with applicants only needing to deposit USD75,000 in a fixed deposit, or half of that amount if the applicant is 50 years old or older.

Chandra closed the fascinating, detailed Workshop by thanking delegates and inviting them to meet with Henley and to consider working with the firm to help their Indonesian HNWI clients formulate and execute their RBI, or possibly CBI plans. ■

