

Increase in Southeast Asian Expats acquiring second residence options

Across Asia, global citizenship is rapidly becoming not just a gateway to the wider world, but the ultimate status symbol for high-net-worth individuals (HNWIs) and ultra-high-net-worth individuals (UHNWIs).

BY:

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A CROSS ASIA, global citizenship is rapidly becoming not just a gateway to the wider world, but the ultimate status symbol for high-net-worth individuals (HNWIs) and ultra-high-net-worth individuals (UHNWIs).

Having multiple passports, nationalities, or residence permits has become synonymous with worldliness, interconnectivity, and savoir-faire. On a more practical level, it has become virtually indispensable for those seeking to grow their business and increase opportunities for their family in today's entirely globalized economy.

This global trend is having a remarkable impact in Southeast Asia. According to data from Henley & Partners, the global leader in residence and citizenship planning for HNWIs, the region is poised for significant growth, having seen a 320% year on year increase in the number of enquiries on alternative residence and/or citizenship between 2017 and 2018. A key factor driving this growth is the rise in the number of HNWIs and UHNWIs in the wider Asia Pacific region. The region set a new record last year, reaching 6.2 million HNWIs and USD 21.6 trillion, according to **Capgemini's World Wealth Report 2018**.

For individuals with the financial means, the routes

to global citizenship have never been more abundant or more well-defined. New residence- and citizenship-by-investment programs – which allow individuals to receive residence or citizenship in a country in exchange for a substantial contribution to its economy – are being introduced each year, as countries actively seek to attract wealthy and talented foreigners to join their communities. With programs spanning the economic and geographic spectrum, individuals and their families are able to seek out the option that best meets their unique needs.

Data gathered by Henley & Partners reveals that more than 10% of applicants from the region were repeat clients – individuals either looking to acquire additional citizenships or to relocate for a second time with the organization. In terms of demographics, data showed that 84% of applicants were male, and 75% were self-employed, while 10% were non-economically active (i.e. children from HNW families, or individuals who made money through other forms of inheritance).

While the majority of applicants were aged 45 to 64 years old, a significant proportion of applicants (30%) were 25 to 44 years old. Among the queries received in Southeast Asia, 20% came from expats in Singapore who

were primarily Chinese, Russian, and Indian nationals. These clients are acquiring passports or residency rights mostly in Malta, Cyprus, Moldova, Thailand and Portugal. Analysis of global trends shows that interest from Southeast Asia has contributed to the significant growth of these programs. The Thailand Elite Residence Program, for instance, has seen the number of applicants almost quintuple in size over the past year.

But the majority of applicants are not moving money out of the region, nor leaving Asia - not yet. The latest figures from the Hurun Institute's annual Immigration and the Chinese HNWI report show that wealthy Chinese individuals, for instance, are increasingly embracing the concept of global citizenship and exploring opportunities

beyond their borders. It also shows that those emigrating from China and putting down roots elsewhere remain loyal to their home country and firmly committed to its prosperity and development. 37% of Chinese HNWIs interviewed said that they are considering emigration or have already emigrated, but 90% of these individuals plan to return to China for their retirement. 70% of Chinese HNWIs currently own overseas assets (predominately property), and 14% consider themselves fully fledged global citizens, enjoying travel freedom, financial freedom, and the benefits of an international education.

All in all, the data shows that large segments of Southeast Asia's population – not just the jet-set – are expanding their idea of community to include the entire globe. ■

