

Protect Your Wealth via Residence-by- Investment in Investor Friendly Jurisdictions

In a bid to boost their economies, sovereign states are vying for funds from affluent individuals and entrepreneurs and endorsing their residence and citizenship by investment solutions. The multi-faceted volatility that is being displayed in markets and across societies underlines how critical it is for governments to adapt, rebuild, and recover.

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In parallel, high-net-worth individuals and investors are also navigating the tumultuous post-pandemic seas, plagued with soaring inflation rates, shifting labor market trends, and the ongoing conflict in Ukraine. This has resulted in a sustained surge in demand for alternative residence and citizenship, with Henley & Partners receiving the highest number of investment migration program enquiries on record in 2022 — an increase of 45.5% compared to the previous year, which was itself record-breaking.

Now more than ever, private clients are seeking out the most suitable residence by investment programs, also known as golden visas, in order to protect their families' legacies and security and safeguard their wealth. To assist investors in the decision-making process, we recently launched the Global Residence Program Index 2023, a comprehensive benchmarking of the world's 26 most important residence by investment programs and an interactive analytical tool for investors, which assesses residence programs based on a variety of parameters, including quality of life, investment requirements, and tax.

Wealth preservation in the post-pandemic era

While applicants for residence programs benefit from greater travel mobility and the optionality of living, working, and doing business in a domicile of their choice, other factors such as wealth preservation are also driving this bullish appetite for investment migration offerings.

In response to the pandemic, many governments have proposed new wealth taxes, increased capital gains dues, and higher corporate taxes such as the OECD's global minimum corporate tax, as solutions for restoring wealth equality and replenishing public resources. The latest is the Biden administration's announcement of numerous tax proposals to fund new government investments such as infrastructure, education and family programs, that total almost USD 4.7 trillion in new taxes targeted at businesses and high earners.

These proposals are encouraging rising numbers of well-heeled individuals and successful entrepreneurs to apply for residence programs in the countries featured below, which have more favorable fiscal frameworks.



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UAE — A wealth hub in 2023

The UAE is spearheading a surge in interest among affluent investors with its competitive, agile approach to adapting regulations and remains a powerful magnet for capital, talent, and wealth, and its golden visa is now valid for an initial period of 10 years across all investment categories. As the Henley Private Wealth Migration Dashboard revealed, the UAE was projected to see the highest net inflow of high-net-worth individuals (with wealth of USD 1 million or more) globally last year, at 4,000. Investors from all over the world continue to relocate to the country either in a private capacity, with their businesses, or both, and many are drawn by its favorable tax regime — with no personal income, capital, net worth, or withholding tax (except for those levied in the domestic banking and oil sectors), and several double-tax treaties in place.

Monaco — The French Riviera's alternative residence of choice

Monaco residence is an enviable proposition for those with the means to call this picturesque city-state their home. Strategically situated on the French Riviera, it offers tax-free dividends, zero (foreign sourced) income taxes, and zero capital gains taxes to private clients who can demonstrate sufficient funds to qualify. While it may boast some of the most expensive real estate and rental prices in the world, the tax incentives and



quality of life in Monaco are second to none. A hub for ultra-high-net-worth individuals, there are many factors contributing to the Principality being an excellent location for investors.

Greece — A highly coveted golden visa

One of the top alternative residence options in Europe, the Greece Golden Visa Program requires a minimum real estate investment of EUR 250,000 to be eligible for a renewable five-year residence permit. Drawn to its Mediterranean lifestyle and scenic beaches, wealthy individuals and expats who choose to relocate to Greece under the program also benefit from numerous tax incentives. Golden Visa investors who decide to transfer their tax domiciles can pay a lump-sum tax of EUR 100,000 for 15 years, regardless of the amount of foreign-sourced income they receive, which has drawn many high-net-worth individuals to Greece, and Athens is increasingly attractive due to its pro-business environment. Effective 1 May 2023, the real estate investment will double to USD 500,000 in certain parts of Greece, including most of Athens, Thessaloniki, and the islands of Mykonos and Santorini, so now is the perfect time to acquire Greek residence by investing in an alternative home in Europe.

Portugal — A gem on the Iberian peninsula

For those seeking a cosmopolitan lifestyle in an idyllic and affordable European country, Portugal, ranked 1st overall in Henley & Partners' Global Residence Program Index, offers the perfect solution with its flexible Portugal Golden Residence Permit Program and favorable non-habitual-resident tax scheme. Golden Residence Permit holders who opt to relocate to Portugal can obtain a 10-year tax exemption on

most foreign-sourced income in addition to enjoying zero wealth taxes. Added to that, as cryptocurrency held for more than a year is currently exempt from capital gains taxes, Portugal is a hub for long-term crypto holders. At the time of writing, the future of the program is uncertain after the government's proposal in February to end it, but until further information is announced, it's business as usual and investors can still apply by making a minimum real estate investment of EUR 280,000.

Cyprus — A thriving hub between Europe and the Middle East

Investors keen to secure permanent residence in the international trade nexus of Cyprus can do so via the Cyprus Permanent Residence Program by investing a minimum of EUR 300,000 net of taxes in real estate. Alternatively, shares and units in funds are other eligible investment classes. Affluent individuals, entrepreneurs, and investors place great value on the optionality to reside in a jurisdiction of their choice, which is why they find Cyprus's alternative residence solution so attractive. High-net-worth individuals who spend 60 days a year on the island can qualify for the non-domicile regime for a period of 17 years and enjoy tax-exempt dividends and interest. They can also benefit from no capital gains on the sale of shares (unless the underlying assets are Cypriot real estate), no inheritance, no gift taxes up to a third degree relative, and zero wealth taxes. Cyprus also has one of the lowest corporate tax rates in the EU.

Italy — La dolce vita forever

The Italy Residence by Investment Program grants visa-free travel in Europe's Schengen Area as well as the option to acquire Italian citizenship after

10 years of residence under special conditions. To qualify, investors must have either EUR 2 million in government bonds, EUR 500,000 in company shares (EUR 250,000 for start-ups), or EUR 1 million invested in philanthropic or cultural projects. Alternatively, the Elective Residence Program is suitable for individuals who can prove their stable annual income at a certain quantity from abroad. While there is no requirement for permit holders to spend any minimum number of days in the country, those who choose to make Italy their tax domicile can pay an annual lump sum of EUR 100,000 on any foreign-sourced income under the flat tax regime.

Namibia – An African gem

Recognized for its highly stable political and economic environment, Namibia is considered among the safest nations in Africa. The democratic country offers an impressive infrastructure and an excellent quality of life. The Namibian government is actively seeking foreign investment to boost economic growth and diversify the economy and provides many opportunities for international investors seeking a foothold and growth on the African continent, including tax incentives, financing, and a one-stop

bureau service for international companies. Namibia offers an attractive territorial tax system, which means that residents will not generally be taxed on income generated outside the country. To gain a work permit and residence rights in Namibia, investors can acquire real estate with a minimum value of USD 300,000 through a company in the modern and sophisticated President's Links Estate in Walvis Bay.

The Global Residence Program Index 2023 is indispensable for all those considering residence by investment, enabling investors to select the factors that matter most to them and their families. Alternatively, the Global Citizenship Program Index 2023 enables comparisons of citizenship by investment programs, and the Henley Ultimate Portfolio can be used to find the ultimate combination of alternative residences and citizenships to unlock global access, mitigate risk, and create opportunity.

To further explore which investment programs are most suited for you or your clients' particular circumstances, reach out to Henley & Partners, the global leader in residence and citizenship by investment.

