

Residence and citizenship planning for HNWIs

Nirbhay Handa, Manager for the subcontinent business at Henley & Partners along with Daphne Chandra, Manager for the Indonesia business presented a Workshop on the current pick of residence and citizenship planning options for Asian HNWI individuals and families. Their focus was most intensely on three European and four Caribbean citizenship-by-investment programmes.

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HANDA BEGAN THE TALK BY INFORMING THE AUDIENCE that he looks after Sri Lanka and Bangladesh, as well as the non-resident India business for Henley & Partners in Singapore, while his colleague Chandra covers Indonesia. Handa then introduced Henley & Partners, explaining that the firm has two core businesses, government advisory and the private client advisory business.

The government advisory involves Henley working with various governments globally to help them structure citizenship- or residence-by-investment programmes, with the ultimate aim to enhance those countries' foreign direct investment.

"For example," Handa explained, "Henley is the concessionaire to the Maltese Government and was responsible for the design and implementation of the Malta Individual Investor



NIRBHAY HANDA
 Henley & Partners

Programme (MIIP) - the most exclusive citizenship-by-investment program in the world. The GDP of Malta is around EUR 9 billion per annum and almost EUR 1.2 bil-

lion has been raised through the MIIP since its launch three years ago. Similarly, we have advised the government of Saint Kitts and Nevis on their program, we de-



signed the Antigua and Barbuda Program and more recently we were just appointed by the Kazakh Government to design a residence-by-investment programme.”

Core drivers for Asian HNWIs looking overseas

Handa characterised the various motivations that encourage HNWIs to consider second citizenship or residency programmes. “In the markets that I cover in the subcontinent there is a considerable security threat to individuals, including threats such as extortion and kidnapping. Sadly, I have had clients who personally experienced this. The second core motivation is the potential for political instability, so clients like to have an alternative or ‘Plan B’. Thirdly, some of the countries that we cover have passports that offer limited mobility without visas, so travel freedom is a core motivation.”

Notably, Handa explained that some countries in the Asia-Pacific

region offer remarkably appealing passports in terms of visa-free travel. For example, Singapore tops the global charts based on the number of visa-free countries a holder can visit, overtaking Germany, which was previously number one.

Focusing on Handa’s expertise in providing residence and citizenship planning advice and processing for HNW clients, Handa explained that Henley currently promotes a select number of countries around the globe, all of which represent sensible value and offer solid residence or citizenship programmes.

The ‘chosen’ seven countries

There are currently only seven countries which offer citizenship programmes that provide a direct legal route to citizenship based on capital contribution and which have also passed Henley’s country due diligence. Three of these are within the European Union and four are in the Caribbean.

In Europe, the three key destinations the firm currently promotes are Austria, Malta, and Cyprus due to their combination of regulatory accessibility, cost and the reasonable demands placed on the applicants.

In the Caribbean, the firm 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. Henley is protective of its reputation and pays great attention to the integrity of the host countries’ programmes. The firm requires that any clients go through a thorough internal due diligence and compliance process before on-boarding. If the prospective client’s background and status are clear then the firm will work with them, providing, of course, the appropriate fees are duly settled.

This is a vital phase of the process for Henley’s clients as well. Normally, if a client passes this

The Leading Investment Migration Programs

Henley & Partners assists individuals and their families to obtain citizenship and/or residence of the following countries:



due diligence they will be in an excellent position to attain their secondary residency and citizenship goals.

Malta and Cyprus shine in the EU

Malta has the lowest capital requirements to gain EU citizenship at less than EUR 1 million for a single applicant. There is no requirement for a lengthy physical presence for applicants and no laws currently restricting the passing of citizenship down to future generations.

It is the only European citizenship-by-investment programme currently endorsed by the EU and nationality is protected by European law.

The citizenship-by-investment program of Cyprus, another EU member state, has a larger minimum capital requirement of €2 million, however this is purely an investment centric program and represents the most efficient route to European citizenship with the passport being issued in just six-months from the date of submitting the application.

The four preferred Caribbean options

Handa referred to a Henley document that compares the four Caribbean options Henley currently promotes, namely: Antigua and Barbuda; Grenada; Saint Kitts and Nevis; and Saint Lucia.

Handa highlighted certain key advantages of Grenada, including an efficient processing time, relatively low cost, visa-free travel to 131 countries including China, an E-2 Investor Visa Treaty (which provides access to the US), zero wealth, gift, inheritance, foreign income or capital gains tax and the ability for citizenship to be passed down by descent.

Grenada requires either a contribution to the National Transformation Fund of US\$150,000 for a single applicant or the purchase of government approved and designated real estate with a value of at least US\$350,000. If an investor chooses the real estate option, there is an additional flat government fee of US\$50,000. There are also other smaller fees associated with these applications.

Chandra then highlighted the appeal of the Thailand Elite Residence Programme; again, Henley is the concessionaire to the Thai government for this programme. “It offers a variety of visas from five to 20 years,” she explained. “It is cost-effective and is doing really well, especially amongst expat Chinese who consider Thailand as their second home and an attractive investment destination. Healthcare, lifestyle and education are also strong appeals there.”

Henley is the global leader in residence and citizenship by investment, with a history of more than 20 years and 300 staff across the world in more than 25 offices. Whichever option around the globe that Henley’s clients choose, both Handa and Chandra always recommend that individuals and families considering such a step should take the time and effort to fully understand the issues in advance.

Careful planning and detailed organisation of documents are essential to a positive outcome and a smooth process. ■