

# Henley & Partners Reviews Globalisation 4.0 – Migration Trends

*Elvis Liu Cheng, Client Advisor at investment migration advisory firm Henley & Partners, gave an introductory presentation to delegates at the Hubbis Independent Wealth Management Forum to cover migration trends for the globalisation 4.0. He briefly explained the appeals of global investment migration, explaining why and how increasing numbers of Asia's wealthy are taking up alternative citizenship and residence options around the globe, and briefly mentioning some of the major programmes that his firm proposes.*

**H**ENLEY & PARTNERS' ACTIVITIES SPAN THE PRIVATE CLIENT BUSINESS, which focuses on the needs of high net worth (HNW) and ultra-HNW clients who seek secondary residence or 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.

For over 20 years ago, Henley has pioneered the concept of investment migration. Residence and citizenship planning at the time Henley was formed 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. Today, the science has moved on to the Migration 4.0 model.

## **Working with Asia's wealth management community**

Henley & Partners conducts a lot of business in the region, working very closely with many intermediaries such as private banks, investment managers, family offices, and others in the wealth management community.



ELVIS LIU CHENG  
Henley & Partners

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“We have built long expertise in residence and citizenship planning,” Cheng told the audience. “We advise HNWIs and ultra-HNWIs on identifying and obtaining alternative citizenship, and we help them to get permanent residence in other countries. The trend for HNWIs is very clearly towards investment migration, with numbers increasing year on year. In fact, data shows that around one-third of the high net worth individuals already have at least a secondary residence or citizenship.”

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.

Cheng reported that today Henley has a worldwide staff of over 300 across 32 offices and with more than 60 of those in Asia in offices in the Singapore regional HQ, Bangkok, Kuala Lumpur, Ho Chi Minh City, Hanoi, Manila and more recently Melbourne, Australia, which the firm opened in late 2018.

### Asia rising

The global trend towards offshore residence and citizenship is even more intense in Asia due to the phenomenal rise in the number of HNWIs and UHNWIs in the wider Asia Pacific region, which last year set a new record of 6.2 million HNWIs worth USD21.6 trillion, according to Capgemini’s World Wealth Report 2018. And the trend is set to continue.

Cheng commented that Asia’s HNWIs and the ultra-rich should seriously consider these options, and as they will need the best professional advice, they should consider Henley, as the reputed leader in this advisory business.

The firm helps private clients with many citizenship-by-investment (CBI) and residence-by-investment (RBI) applications. He reported that there are almost 100 countries currently offering CBI and RBI schemes, all of which are very important for countries such as China, where the mainland China passport allows visa-free access to only 64 countries.

### CBI? Or RBI?

CBI is the more complex option and RBI is the less complicated option. CBI programmes confer on the successful individual, and their families, the same rights as ordinary citizens of those countries; the solution is permanent and includes voting rights and passports with little to no physical presence required. The great advantage of CBI is that it bypasses the traditional route of an HNWI and the entire family relocating to another country in order to earn citizenship.

CBI is a relatively new concept, and today Henley points to about 10 countries currently with specific legislation in place that allows an individual - as long as they pass the due diligence and anti-money laundering checks - to invest and become a citizen of that country.

Cheng also told delegates that there are various reasons why private clients take up one or more investment migration options. There might be political or economic problems in their home country, or they simply wish to have a ‘Plan B’, to safeguard against such issues emerging later on.

The motivation might also be more lifestyle-driven, perhaps due to education plans for their children or grandchildren, or even maybe for future retirement plans. And as investment migration can also cater to the whole



family and even includes parents and more distant family members, the solutions on offer are rather comprehensive.

Another core motivation for many people in Asia is the relative weakness of their passports from a travel freedom perspective. Singapore, Japan, Korea, as well as Australia and New Zealand are very high up the ranks of the annual global Henley Passport Index, which measures how many countries a passport holder can visit without a prior visa. But of course, some other passports in the region, including those from several ASEAN countries and mainland China, are far more limited in terms of their visa-free travel potential.

### **The old and the new**

Cheng explained that while the more traditional options have historically been the UK, the US and Canada and Australia, as well as New Zealand, these are expensive

and often difficult to achieve.

Some of the key programmes Henley & Partners currently recommends, for either RBI or CBI, include several countries in the Caribbean, and EU countries such as Greece and Portugal (for residence) and Austria, Malta and Cyprus (for citizenship), as well as the latest CBI option, Montenegro, also in Europe but not currently in the EU. And he noted Moldova is also a recent arrival on the list of alternatives.

The Caribbean, he explained, is very much about getting travel documents, with USD100,000 to USD200,000 as a donation to the government required, resulting within six months in a second citizenship and that passport offering visa-free access to the whole of the Schengen, Singapore, Hong Kong, the UK and other destinations.

### **Working with the experts**

His final point was that Henley & Partners is an advisory firm with

expertise in investment migration, but it is not a tax advisory firm, that role must be sought out from other experts who can work hand in hand with the clients and in a complementary manner with Henley & Partners.

“For tax planning under the Common Reporting Standards or OECD a lot of HNWIs need to better plan how they are going to report as a tax resident,” Cheng cautioned, on closing his short talk.

“For example, there is a very successful Chinese entrepreneur client who obtained the Green Card from the United States, but of course he is then going to be liable for the global tax for the US. So, whenever a client is going to choose a residency or citizenship plan, he needs to understand what is required for the programme and also what is coming after either the residence and citizenship is granted.” ■

