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## European Immigration

As a firm we have experienced an increasing number of enquiries in respect of the different citizenship and residency programmes that are available. Whilst there are many established programmes throughout the world we have seen a particular interest in the European programmes. Typically these requests come from HNW individuals resident in less politically and economically stable countries seeking to relocate themselves and their families to a more stable 'western' jurisdiction. The attraction of the European programmes on offer is often the access to the wider EU member states through the free movement rules granted to EU members.

Whilst the UK has a long established citizenship by investment programme in recent years several European countries, notably Cyprus, Malta and Portugal, have developed their own citizenship by investment programmes. All of these programmes have their various advantages and disadvantages and the first step for clients is to consider which of these citizenship programmes will meet their specific requirements. To assist in this regard we have prepared a brief analysis below of what we consider to be the key requirements of the various programmes.

### *The attraction of an EU passport compared to other immigration programmes?*

Whilst an EU passport affords the holder the right to travel visa free throughout the 27 Member States, the main advantage is that an EU passport affords the holder the right to reside in any of the Member States under the EU principles of free movement. Therefore, once an applicant has successfully applied for a Maltese or a Cypriot passport they have a right to reside in the UK.

Whilst there are other well established citizenship programmes, St Kitts and Nevis and Antigua for example, that offer comparable visa free access to countries around the world it is the right to residency that makes the EU citizenship programmes most appealing to applicants.

The UK relationship with the EU is in the spotlight with an In/Out referendum due. One of the central issues to the referendum is the UK's immigration policy towards other EU states. Should the Government lose the referendum, there is no guarantee that this freedom to reside will remain.

### *How does the UK's Tier 1 Investor Visa programme compare to its European counterparts?*

In certain instances individuals may be less concerned with actual relocation and simply wish to guarantee the ability to relocate themselves and their family at some point in the future should they so require. It is clear that the UK Tier 1 Investor visa will not be appropriate for such persons and they may prefer to consider one of the other European programmes as an alternative.

At £2,000,000 and 180 days the UK has one of the highest investment and residency thresholds. Unlike other citizenship programmes (Portugal for example) the government has a clear desire that anybody wishing to enter under the Tier 1 Investor category must reside in the UK and contribute to the wider fabric of society. The UK still offers a favourable tax regime for non-domiciled individuals seeking to become resident in the UK and it is possible to mitigate against UK tax exposure through sensible pre arrival planning. In comparison to some of the other jurisdictions of choice it is noteworthy that the UK only requires an investment to be made as opposed to some form of donation. Equally there is no requirement to invest in UK property although often applicants choose to do so. We think these factors coupled with the quality of life, as well as the cultural and educational offerings available continue to make the UK citizenship programme attractive when compared against its competitors.

Should you or any of your clients wish to discuss the merits of any of these programmes then a member of the Rooks Rider Wealth Planning Team would be happy to discuss them with you.

## IMMIGRATION ANALYSIS

Country	Investment Requirements	Residency Requirement	Applicants included	Citizenship and Passport	Tax, Costs and other requirements
<b>Cyprus –</b> Citizenship by Investment Programme	€5 million into any, or a combination of the following: 1) Government bonds; 2) Financial assets of Cypriot companies and organisations; 3) Real estate, land development or infrastructure projects; 4) Deposits on Cypriot banks; 5) The purchase, establishment or participation in Cypriot businesses or companies that have a tangible presence in Cyprus and employ a minimum of 5 people.  The applicant must own a residence in Cyprus which must be worth more than €500,000.	No residency requirement, applicant must visit the island once every seven years.	Spouse, minor children and dependent family members.	It is possible to obtain citizenship within four months and a passport six to seven months after application.	No language test.  Visa free travel to more than 150 countries.  Zero rate tax on interest, dividends, capital gains and lump sum payments from pension, provident and insurance funds.  No wealth tax.  Application costs €7,000/adult applicant.
<b>Malta –</b> Individual Investor Programme	Non-refundable contribution of €650,000 for the single applicant, €25,000 to include a spouse on the application and a further €50,000/child.  Property investment of €350,000 or a property rental of at least €16,000/annum for at least 5 years.	A 'genuine link' with Malta for at least 12 months.	Spouse and minor children, unmarried children between the age of 18-55 and dependent parent over 55.	Citizenship within 12 months.  Possible to apply for a Maltese passport once applicant has been naturalised (12 months).	Visa free travel to approximately 160 countries and free movement within the Schengen Area.  Resident non-domiciled individuals are taxed on a remittance basis. Only remitted income is taxable. Capital gains arising outside Malta are not taxable. No IHT or wealth tax.  Publication of the applicants name in the official gazette.  Due diligence costs of €7,500 for the main applicant. There is a further charge of €5,000/adult applicant and €3,000/child.

Country	Investment Requirements	Residency Requirement	Applicants included	Citizenship and Passport	Tax, Costs and other requirements
<b>Portugal – Golden Visa</b>	<p>One of the following:</p> <ol style="list-style-type: none"> <li>1) €1,000,000 investment for a period of 5 years in a Portuguese bank account or the acquisition of stocks and shares in a company or companies;</li> <li>2) Acquisition of real estate with a value of at least €500,000;</li> <li>3) The creation of at least 10 job positions.</li> </ol>	Seven days in the first year and 14 in the subsequent two year periods.	Spouse, minor children and dependent family members.	Six years for both citizenship and passport.	<p>Applicants will need to pass a Portuguese language test in order to achieve citizenship.</p> <p>Visa free travel to approximately 170 countries and free movement within the Schengen area.</p> <p>Income tax payable on Portuguese source income, however, not taxed on worldwide income.</p> <p>Initial application cost of €5,650 for applicant and a further €5,215 for a relative. There is also a renewal fee every two years of €3,082 for the applicant and €2,649 for a relative.</p>
<b>United Kingdom</b>	£2,000,000 (also possible to invest £5,000,000 or £10,000,000 to accelerate permanent residency) in UK bonds and equities. No requirement to invest in real estate although should applicants wish to do so it will not constitute part of the qualifying investment.	Applicants must be resident in the UK for 180 days / annum.	Possible to include spouse and minor children on the initial application.	It is possible to apply for citizenship after five years of residence and if this is successful then you will also be able to apply for a passport once you have become a UK citizen.	<p>Applicants will need to pass a 'Life in the UK' test and may also be required to demonstrate that they have a reasonable command of English prior to obtaining permanent residency.</p> <p>Visa free travel to over 170 countries.</p> <p>The rules are complex but in general terms you are taxed on UK source income and gains but not on your unremitted worldwide income and gains. Inheritance tax applies to UK assets however potential to mitigate against exposure to IHT on your worldwide assets.</p> <p>There is an application fee of £1,500 per person, and there may also be a requirement to pay a National Health Service surcharge.</p>

For further information on any of the issues raised in this Briefing Note, please contact a member of the Rooks Rider Solicitors Wealth Planning Team.



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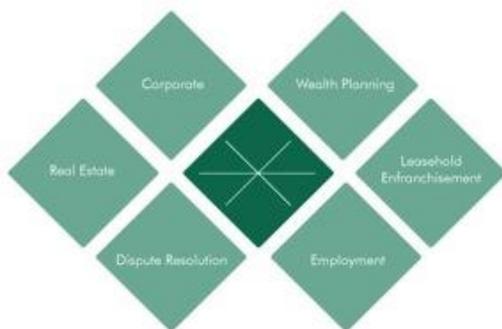
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