



INVESTOR VISA PROGRAMS: TYPES, TRENDS, AND EMERGING ISSUES



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LOGISTICS

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Immigrant Investor Programs

Immigrant investor programs exchange a significant investment in a destination country for residency rights and/or citizenship. These programs offer different rights to investors who in turn receive different benefits.

Immigrant investor programs broadly fall into two categories:

- **Investing in private-sector assets**, e.g. businesses or real estate
 - Most popular option among traditional immigration countries like Australia, Canada, and the United States
- **Giving money to the government** in the form of fees or loans



Types of Immigrant Investor Programs

The design of these programs vary by:

- The **type of investment**, and any **additional requirements** (e.g. creating/saving a certain number of jobs, or language/education requirements)
- The **status on offer** and **whether investors have to live in the country**
 - Most programs grant temporary residence with a two- to five-year pathway to full permanent residence, typically followed by citizenship
 - Investors may need to spend a certain period of time in the country to extend their stay
 - Some countries offer immediate citizenship and do not require any actual residency (e.g. in certain countries in the Caribbean)



Where Are The Biggest Investor Visa Programs?

- ***Applicant numbers.*** The most popular immigrant investor programs tend to be found in traditional destination countries like the United States, Canada, the United Kingdom, and Australia. The United States currently leads the market, reaching its cap of 10,000 visas for the first time in fiscal year (FY) 2014.
- ***Investment size.*** Popular destinations can afford to charge more for their programs and ask more of investors.
- ***Revenues raised.*** It is difficult to get accurate and up-to-date information on revenues raised. Canada, Australia, the United States, and the United Kingdom are the leaders here.
- ***Economic impacts.*** Economic impacts are harder to evaluate; they depend on volume, type of investment, and size of overall economy. In the largest economies, the impacts are **highly localized**.



INVESTMENT MODELS



Business Investment Model

Applicants invest in a business or a seed fund

Country	Investment Thresholds	Estimated Uptake (Successful Applicants)	Grants Temporary residence?	Grants Permanent residence?	Grants Citizenship?
Australia	AU\$1.5 million to \$15 million	879 (Significant Investor primary visas granted; Nov 2012-June 2015)	Yes	Eligible after 1-8 years, depending on the sum invested	Regular process
Canada	CDN\$2 million	6 (January – June 2015)	N/A	Yes	Regular process
France	€10 million	17 (2010 – 2014)	Yes	Eligible after 5 years	Regular process



Business Investment Model (cont'd)

Applicants invest in a business or a seed fund

Country	Investment Thresholds	Estimated Uptake (Successful Applicants)	Grants Temporary residence?	Grants Permanent residence?	Grants Citizenship?
Netherlands	€1.25 million	Not available	Yes	Eligible after 5 years	Regular process
Singapore	SGD\$2.5 million	Not available	N/A	Yes	Regular process
USA	US\$500,000 to \$1 million	10,000 (FY 2014)	Yes	Eligible after 2 years	Regular process



Real Estate Model

Applicants purchase a residential property

Country	Investment Thresholds	Estimated Uptake (Successful Applicants)	Grants Temporary residence?	Grants Permanent residence?	Grants Citizenship?
Greece	€250,000	436 (July 2013- Oct.2014)	Yes	Eligible after 5 years	Regular process
Latvia	€250,000	13,518 (July 2010 – 2015)	Yes	Eligible after 5 years	Regular process
Portugal	€350,000- €500,000	6,124 (October 2012 – June 2015)	Yes	Eligible after 5 years	Regular process
Spain	€500,000	531 (Sept 2013 – Dec 2014)	Yes	Eligible after 5 years	Regular process



Citizenship by Investment

Applicants pay a lump sum to the government

Country	Investment Thresholds	Estimated Uptake (Successful Applicants)	Grants Temporary residence?	Grants Permanent residence?	Grants Citizenship?
Antigua & Barbuda	US\$200,000	510 (first 16 months)	N/A	N/A	Yes (directly)
Dominica	US\$100,000	Not available	N/A	N/A	Yes (directly)
St Kitts & Nevis	US\$250,000	Not available	N/A	N/A	Yes (directly)
Malta	€1.15 million (€650,000 lump sum, plus purchase of real estate and government bonds)	13 (to May 2015)	Yes	N/A	Eligible after 1 year



Zero or Low-Interest Bonds Model

Applicants purchase special low- or zero-interest bonds

Country	Investment Thresholds	Estimated Uptake (Successful Applicants)	Grants Temporary residence?	Grants Permanent residence?	Grants Citizenship?
Québec, Canada	CDN\$800,000	6,221 (2014); 65,151 (2002-2014)	N/A	Yes	Regular process
Hungary	€300,000	2,828 (as of May 2015)	Yes	Eligible after 6 months	Regular process
Ireland	€1 million	55 (2012 to April 2015)	Yes	Eligible after 5 years	Regular process



Regular Interest-Bearing Bonds Model

Applicants purchase regular government bonds

Country	Investment Thresholds	Estimated Uptake (Successful Applicants)	Grants Temporary residence?	Grants Permanent residence?	Grants Citizenship?
Australia	AUD\$1.5 million	18 (2012-14)	Yes	Eligible after 4 years	Regular process
New Zealand	NZD\$1.5 million to \$10 million	586 (July 2010 - July 2015)	Yes	Eligible after 2 years	Regular process
United Kingdom	£2 million	4,175 (2014); 148 (2015, Q1-Q3)	Yes	Eligible after 5 years	Regular process



Why People Are More Attracted To Certain Countries Than Others

- Insurance and safety – economic, political, social, cultural, access to health services, access to education for children, and, increasingly, protection from environmental degradation (Chinese)
- Opportunities for easier access to other countries (onward movement—the EU but also Canada-to-US)
- Visa-free access to additional countries
- Bypassing regular immigration channels (backlogs and other barriers, especially involving immediate families)
- Tax advantages and safety of investment
- Opportunities to make better returns on their investment (a proposition yet to be tested)



Innovations and Trends

Some major immigrant investor programs increasingly favor active (over passive) investments, opting for investments in business and venture capital over real estate or bonds.

Policy priorities include:

- Maximizing the economic and social value of these programs
- Ensuring positive integration outcomes
- Assuaging a variety of public concerns through “due-diligence” checks, transparency, and the imposition of greater requirements

An emerging evolution of some investor programs from volume of **applicants** to volume in investment **funds** (fewer but wealthier investors)

- This is a clear attempt to add measurable economic value to the host economy by creating greater multiplier effects

Competition for very wealthy investors is becoming the next chapter to the increasing “**competition for talent.**” The objective is to attract wealthy people who are not adverse to risking substantial sums of money in order to gain access to highly desirable destinations.

- As with talent, most innovation continues to come from New Zealand, Australia, and Canada – in that order

Canada's New Program*

Canada recently replaced its federal Immigrant Investor Program with the Immigrant Investor Venture Capital **pilot** program.

Features	New Program	Old Program
Type of investment	At-risk, 15-year investment in special venture capital fund	Guaranteed 5-year, zero-interest government bond
Minimum net wealth	CDN \$10 million	CDN \$1.6 million
Minimum investment?	CDN \$2 million	CDN \$800,000
Residency rights	Permanent residence	Permanent residence
Speak English/French?	Yes	No
Education requirement?	Yes (most instances)	No

*Note similarities with Australian program

Australia's Program

Australia recently introduced a new Premium Investor Visa stream

Features of program	Investor	Significant Investor	Premium Investor
Type of investment	State/government bond	Mixed investment in venture capital funds and managed funds	Securities, bonds, assets, annuities, business, or philanthropic contribution
Minimum net wealth	AUD\$2.25 million	N/A	N/A
Minimum investment?	AUD\$1.5 million	AUD\$5 million	AUD\$15 million
Residency rights	Temporary residence, with pathway to permanent residence		
Other requirements?	Must score at least 65 on points test, and be under age of 55	Exempt from points test and age restriction	

*Note similarities with Canadian program



Proposed Changes to the U.S. EB-5 Program

- A key piece of the U.S. EB-5 investor visa program is due to expire on December 11
 - Most applicants invest via regional centers, which pool investments into large-scale commercial projects like real estate developments, infrastructure, and charter schools
 - Two key advantages: (1) regional centers manage the investment on behalf of the foreign investor, and (2) they also count indirectly-created jobs
- Several bills introduced in the House and Senate to extend or permanently authorize the EB-5 regional center program
 - Key themes: (1) additional oversight of regional centers; (2) tightening the definition of “Targeted Employment Area” (TEA)—high unemployment or rural areas, where applicants are required to invest \$500,000 instead of \$1 million; (3) removing dependents from the cap



Concluding Observations

- A veritable boom in opportunities to gain access to another country via an investment, and more countries poised to enter the “game”
 - At the same time, more countries are looking to increase measurable economic benefits, amid rising concerns about who these programs really benefit
- Venture capital and investments in innovative startups may become the holy grail of investor programs
 - **Programs to watch: start-up visa programs in countries like Canada and Australia**
- As investor programs (and choices) grow , will the investor pool also expand?
 - These programs are essentially “geared” to wealthy Chinese and Russians (especially in Europe), and only a sprinkling of others
- As capital requirements, due-diligence efforts, and investor risk increase, will investors continue to come?
- As investor immigration grows, will the host public grow more uncomfortable about “selling citizenship”?



Concluding Observations (cont'd)

- As the field of countries offering investor visas becomes more crowded, the risks for host countries will also grow, **starting with “program integrity.”** These risks include:
 - **Reputational risk** if there is not enough (any?) due diligence, which may lead to other countries withdrawing visa-free entry to all passport holders from specific “selling citizenship” countries (e.g. Canada and St. Kitts & Nevis)
 - **Loss of investment** because of half-baked or otherwise shady business ventures (which, in the case of the U.S., also leads to loss of residency rights)
 - **Unwanted consequences**, like overheated property markets (a particular concern for Australia and Canada so far)
- For countries that try to pay attention to the integration outcomes of immigration policies, will attaching additional requirements (language, education, etc.) kill the goose that lays the golden egg?



Question & Answer Session

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- Slides and audio from today's webinar will be available at www.migrationpolicy.org/events
- A related report, *Selling Visas and Citizenship: Policy Questions from the Global Boom in Investor Immigration*, is available on our website: www.migrationpolicy.org
- And stay tuned for an article in the *Migration Information Source* in December's Top 10 Migration Issues of 2015.



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