

For Immediate Release: Italy to Join the Growing Investment Migration Movement
Monday, 30 January 2017
London

Italy to Join the Growing Investment Migration Movement

Henley & Partners, the global leader in residence and citizenship planning, welcomes the decision by the Government of Italy to amend its immigration and tax laws, paving the way for the development of a residence-by-investment program in one of the largest countries in Europe. The new provisions, already contained in the draft 2017 Budget Law, were discussed and approved by the Italian Parliament on 7 December 2016 and made effective as of 1 January 2017. However, these measures will only be fully applicable after the implementing decrees have been issued detailing their application. These are currently expected to be issued by the end of March 2017 but it could well take longer before the new measures are fully implemented.

In recent years the need to develop a diverse residence and citizenship portfolio alongside the traditional investment portfolio is being seen as an increasingly important part of the growth and sustainability strategies of wealthy families and individuals. This has posed interesting new challenges and opportunities for governments, with the concepts of immigration, citizenship and statehood being debated and contested. Countries are finding themselves not only competing for international talent, but also for investors, entrepreneurs and high net worth individuals and families, and having to find new ways of generating growth based on this new and global trend of investment migration.

Dr. Christian H. Kälin, Chairman of Henley & Partners, says, “The number of investment migration programs available has steadily increased over the last five years and is expected to continue to do so. More and more governments are seeing these programs as an innovative way of driving economic growth, securing much-needed foreign investment as well as enriching their own nation by attracting people to their shores who have proven business success, many talents and valuable networks. For the world’s elite, they provide something that is less tangible and more desirable than any material object – ensuring personal mobility and security.”

In the European Union alone, more than half of the member states including countries such as Portugal, the UK, Germany and Belgium, now have dedicated residence-by-investment

programs. At the same time, the increase in popularity of citizenship-by-investment programs has generated a broader and growing range of available destinations. In Europe, Austria, Cyprus and Malta offer direct access to EU citizenship for substantial investors, and more countries are expected to introduce such programs.

Henley & Partners has helped establish many of the world's most successful investment migration programs. The international advisory firm that pioneered the concept of citizenship and residence planning more than 20 years ago, assists governments with the design and implementation of programs, and has raised more than USD 6 billion in foreign direct investment for states.

Dr. Kälin explains that the growing investment migration trend is expected to continue in the coming years. "It is a mutually beneficial relationship. By offering greater choice and freedom to wealthy and talented individuals and their families who want to operate transnationally, the Government of Italy will be able to secure much needed investment that contributes to the welfare and economic development of its country," he explains.

"For people of talent and means, making an active choice with regard to their citizenship or residence gives them more control, personal freedom, privacy and security. International residence and citizenship planning has become an important focus for mobile entrepreneurs, wealthy individuals and their families who are interested in a more global lifestyle," Dr. Kälin concludes.

-Ends-

About the amendments

In summary, the changes are as follows:

- The general immigration rules have been amended to facilitate the immigration process for non-European nationals, particularly business people and entrepreneurs, who would invest:
 - A minimum of EUR 2 million in Italian government bonds
 - A minimum of EUR 2 million in Italian corporation bonds or shares (reduced to EUR 500,000 for investment in innovation start-ups)
 - A minimum of EUR 1 million in 'projects of public interest' (culture, education, immigration management, research and development, arts and heritage)

The investment needs to be held for a minimum of two years. An ‘investor visa’ is granted for two years and renewable for a further three-year period provided the investment is maintained. A ‘family visa’ is also granted to other members of the investor’s family.

- New rules have been introduced to the current income tax legislation to facilitate the return to Italy of researchers and qualified workers currently living outside of the country
- A substitutive tax regime has been introduced for income produced outside of the country for those persons who have not been Italian tax payers during nine of the previous 10 years and are transferring their fiscal residence to Italy. Under the new regime:
 - Tax payers are liable to progressive tax rates on income produced in Italy
 - An annual lump sum tax payment of EUR 100,000 is due on income from foreign investment, foreign financial assets and any other foreign-source income (extended to family members for an additional EUR 25,000 per person annually)
 - The option is granted for a maximum of 15 years
 - Inheritance tax is only to be levied on assets within Italy

About Henley & Partners

Henley & Partners is the global leader in residence and citizenship planning. Each year, hundreds of wealthy individuals, families and their advisors rely on its expertise and experience in this area. The firm’s highly qualified professionals work together as one team in 27 offices worldwide.

The concept of residence and citizenship planning was created by Henley & Partners in the 1990s. As globalization has expanded, residence and citizenship have become topics of significant interest among the increasing number of internationally mobile entrepreneurs and investors whom we proudly serve every day.

The firm also runs a leading government advisory practice which has raised more than USD 6 billion in foreign direct investment. The firm has been involved in strategic consulting and the design, set-up and operation of the world’s most successful residence and citizenship programs.

Media Contact

For further information please contact:

Sarah Nicklin
Group Public Relations Manager
sarah.nicklin@henleyglobal.com
Landline: +27 21 850 0524
Mobile: +27 72 464 8965