

**Henley & Partners Calls for Dialogue and Co-operation in Response to the European Commission Report on Investment Migration Programs in the EU**

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Henley & Partners welcomes the publication of the European Commission's report into citizenship- and residence-by-investment programs in the EU, along with recommendations that will enhance transparency, improve security, and prevent abuse.

While the concerns outlined in the report are understandable, most are unfortunately fundamentally misguided and reflect an inherent lack of understanding of how the investment migration industry actually operates, and of the rigorous due diligence and other know-your-client processes and protections in place to prevent any abuse or criminal activity. Worryingly, there appears to be a lack of integration between separate EU departments in the context of producing this report, as well as a complete absence of engagement with both the recognized industry association, the Investment Migration Council (IMC), and legitimate firms in this field, such as Henley & Partners.

***Significant Societal and Economic Benefits of Investment Migration Ignored***

Henley & Partners is also concerned that the research undertaken by the European Commission in producing this report is lacking when it comes to the important consideration of the significant value created by well-managed and structured investment migration programs. There are multiple objective sources that demonstrate not only the value of the liquidity injection itself, but the wider benefits in terms of driving foreign direct investment (FDI) into European nations like Malta, Greece, Latvia, Spain, or Portugal. These programs create genuine societal advantage not just through increased government revenue, employment creation and enhanced infrastructure spending, but through the generation of new opportunities across all levels of society.

Nonetheless, one issue on which Henley & Partners and other leading investment migration firms, as well as many governments, are in fundamental alignment with the European Commission is the need for enhanced communication and integration between different government departments, and even between the EU and EU member states. One need only to look at the challenges the UK has faced with its Tier 1 Investor Visa program to understand that there is a real need to improve communication and cooperation. Multiple government departments should be engaging constantly around this issue, both internally and externally with international stakeholders, be they (supra) governmental or commercial, in order to ensure that there are no gaps or opportunities for nefarious agents to exploit the processes and systems in place.

***Engagement with Investment Migration Industry Essential for Credible Approach***

The analysis and conclusions reached by the report, and the misunderstandings therein, show it is vital that the European Commission takes up the numerous invitations extended by our firm and other legitimate operators, as well as the IMC, to engage in mutually beneficial information-

sharing and dialogue, as is standard in other industries. It is obvious that it is not possible to produce credible policy solutions and recommendations without the engagement of the industry.

Over the past twenty years, Henley & Partners has invested significant time and capital in creating a corporate structure that is wedded to best practice governance and the highest levels of due diligence, even before passing a client over to the consideration of a sovereign state. When combined with the industry-standard multiple-tier due diligence procedures exemplified in particular by Malta's citizenship-by-investment program, the system creates a robust risk management capability, so that the threats mentioned in the report become largely redundant. Indeed, the very threats outlined in the EU report exist on a much wider scale in other areas of immigration and citizenship practices across Europe, which also need to be addressed. We have argued that this model of due diligence in investment migration could, in fact, form the basis of a new European or even global regulatory standard, designed to put all the legitimate fears of the European Commission to rest.

### ***Call for Regulation***

Investment migration is a multi-billion-dollar industry that drives significant liquidity streams and creates real societal value. It consistently deals with serious and sensitive issues and, crucially, it often involves the most valuable asset a sovereign state can possibly offer: its citizenship. Henley & Partners is under no illusions about the value of citizenship and the respect with which it must be treated. The time has come to consider a regulatory framework that will ensure that only those committed to the highest standards of governance and due diligence can operate within the investment migration industry. Abuse of the system by unqualified or rogue actors is unambiguously damaging to every honest actor, country, or government involved in this field, and Henley & Partners fully agrees with the European Commission in that clear recommendations if not indeed regulation are needed for investment migration.

### ***Investment Migration to Benefit the EU in the Long Term***

By working together with the industry and the governments operating the leading investment migration programs worldwide, there is a genuine opportunity to develop regulation that will put the industry in a much stronger position to manage the associated potential risks, which is in the interest of all stakeholders. More importantly, as this industry will ensure ongoing value creation for societies within the majority of EU member states, this will greatly benefit the Union in the long term. Other industries that deal in multi-billion-dollar liquidity streams and are involved in issues of sovereignty are well-regulated by competent authorities to prudently manage risk and grasp opportunity. Now is the time to start meaningful discussion on the road to regulation. All stakeholders, including the European Commission, need to move swiftly towards constructive and meaningful dialogue.

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## **Notes to Editors**

### **About Henley & Partners**

Henley & Partners is the global leader in residence and citizenship planning. Each year, hundreds of wealthy individuals and their advisors rely on our expertise and experience in this area. The firm's highly qualified professionals work together as one team in over 30 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 that has raised more than USD 8 billion in foreign direct investment. Trusted by governments, the firm has been involved in strategic consulting and in the design, set-up, and operation of the world's most successful residence and citizenship programs.

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