

Entrepreneurs Opt for Domicile Diversification and a New Form of Global Mobility in Covid-19 Era

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The significant global volatility driven by Covid-19 has led to a spike in affluent entrepreneurs and international investors building diversified domicile portfolios through residence- and citizenship-by-investment in a bid to overcome the limitations and risks of being restricted to a single residence. In the past eight months, [Henley & Partners](#) has seen a 32% increase in the daily average number of enquiries compared to the first six months of 2020. The shifts in the predominant nationalities of entrepreneurs who are interested in investment migration are eye opening — with the most astonishing being a 192% leap in enquiries from US citizens in 2020 compared to the previous year. Nowhere close to that, but no less remarkable, there was a 34% increase in enquiries from Canadians, a 30% rise in enquiries from Australians, and 29% and 26% more enquiries from UK and French nationals, respectively. Ultra-high-net-worth individuals (UNHWI) and their families from some of the world’s most advanced economies are opting for an integrated investment migration portfolio of complementary citizenship and residence options, both to create optimal value and mitigate risk in terms of where they can live, work, and invest.

[Dr. Juerg Steffen](#), CEO of Henley & Partners, says that while a single alternative residence or citizenship will always be an asset, investing in a suite of different domiciles worldwide will hedge against manifold levels of volatility, creating an enhanced combination of value and yield. “It’s a case of not putting all your eggs in one basket. The majority of options include the whole family, and many extend to parents and others even to grandparents. The more jurisdictions you and your family can access, the more diversified your assets and opportunities, and the lower your exposure to country-specific risk and global volatility. For decades, it has been accepted best practice to invest in different regions and different asset classes, from equities to real estate, to spread the risk and find the greatest value. But what about where you reside? The same principle applies. In an increasingly unpredictable world, you need to diversify your geographical domicile options to guarantee and enhance long-term success by securing access to top quality education and

healthcare, for example. You also need to reduce your exposure to risks such as higher crime, increased tax rates, political instability, social turmoil, poor governance, or unexpected policy changes. Entrepreneurs and investors recognize that having a diversified portfolio of residences and/or citizenships can add impetus to their wider wealth planning and legacy management strategies to protect against further downside and to create new value and enhance wellbeing for the entire family.”

The mounting interest in securing multiple options for domicile is a world-wide phenomenon. [Dominic Volek](#), Group Head of Private Clients at Henley & Partners, says the desire for UNHW families to secure global access and have a range of choices has skyrocketed. “This isn’t just about vital risk management and hedging potential volatility. This is about taking a truly global perspective, and the best way to do that is to have a diversified portfolio of domiciles — a range of locations where you, your family and extended family, and your assets can be based. HNW and UHNW investors from emerging and developed economies alike are seeking out alternative business, career, educational, and lifestyle opportunities on a worldwide scale, broadening their option base and transcending the constraints imposed on them by their countries of origin to improve the resilience of their portfolios and ensure physical and financial longevity and legacy.”

“Our clients are realizing the compounded and multi-generational benefits of acquiring several citizenships and/or residences to expand the future potential for their global families”, says Volek, who goes on to provide some examples. “An Indian UHNW entrepreneur residing in Dubai, with family businesses in Southeast Asia, India, and the Middle East and real estate in Europe, where they wish to acquire residence, at the same time would like their children to be able to live and study in the UK in a few years’ time, so while applying for the [UK Investor Immigration Program](#) they also apply for the [Portugal Golden Residence Permit Program](#) because after five years as a legal resident of Portugal, where the physical presence requirement is limited, they and their children can be eligible to apply for Portuguese citizenship, which would then provide them with settlement freedom throughout the EU.”

In terms of options for extended families, Volek says, “We are seeing more UHNW investors wanting to include their siblings, parents, and grandparents in their investment migration applications. There are many options that cater for large, multi-generational families, and the beauty is that family members don’t necessarily have to be in the same location. For example, a

successful tech entrepreneur could apply for [Australia's Global Talent Independent Visa](#), or any of [Australia's residence-by-investment options](#) for that matter, to obtain permanent residence there. His children, meanwhile, have their sights set on studying in Europe, so they also apply for the [Greece Golden Visa Program](#), which has no residence requirement. And since December 2020, minors may apply for a Greek Golden Visa as a main applicant through purchasing real estate or opening a time deposit bank account in Greece, so they might consider that option for their children. The retired parents, on the other hand, would prefer to live in Thailand, so they also apply for the [Thailand Elite Residence Program](#), which has an option that includes dependents, which may include legitimate parents, stepparents, a spouse (including by civil union), children, and stepchildren.” Volek goes on to say that the [Thailand Elite Residence Program](#) is a top choice for supplementing any investment migration program. “Thailand is a safe, prosperous country with an excellent quality of life and there is no minimum stay requirement,” he says.

Volek mentions that certain investors apply for more than one option because they have immediate requirements, which can be met by a certain program, but looking ahead they have a different program in mind.

As Dr. Steffen points out, “Before Covid-19, affluent investors chose where to reside based on somewhat predictable factors such as quality of life, access to education, and travel freedom. Now the big drawcards include safety and security, access to first-class healthcare with strong capacity, reliable infrastructure, pandemic preparedness and management, good airlinks, and most importantly — better prospects for their children and grandchildren and a safe and comfortable retirement for their parents and grandparents. Building a varied investment migration portfolio can hedge against ongoing risk and uncertainty and facilitate both wealth portfolio and holistic lifestyle diversification that creates significant new value and positive optionality. Developing a strong investment migration portfolio takes careful planning and it takes time. You don't want to wait until it's too late. You want to take a strategic approach, not a mad dash to the fire exit when things go wrong in your current place of residence.”

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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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