



BEHIND THE ALLURE OF INVESTMENT VISAS

Wealthy Indians are waking up to visas that help them invest and settle abroad



(Left) File photo of a US Citizenship and Immigration Services office in San Francisco. (Right top) Roop Pratap Chaudhury (in jacket), an immigrant, started Colonel Saab, a restaurant in London. (Bottom) Dinesh Dahiya and his family in front of their home in Ontario, Canada.

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NEW DELHI

Dinesh Dahiya, who grew up in Delhi, went to Dubai on a work visa in 2010. He was hired as a senior accountant right after his master's in business. Life was good. He got married in January 2014; became a father by December, was promoted multiple times over the next few years.

He was happy with his peaceful life in the United Arab Emirates (UAE), but one thing bothered—the visa had to be renewed every two years and he was dependent on his employer for the formalities. If he ever lost his job, he would have to return to India.

When Dahiya's daughter turned four, in December 2018, he started thinking about her future. He wasn't sure if she would be able to adjust to Indian conditions after her formative years abroad.

The Dahiya's returned to India and started getting in touch with visa consultants in Delhi. Ajay Sharma, the founder and proprietor of Abhinav Immigration Services Pvt Ltd, was one of them.

Canada, which welcomes a large number of immigrants every year, was one of his options. The country offers a 'Start-up Visa' programme to those with an "innovative business". That business has to be approved by an incubator, an angel investor, or a venture capitalist fund.

In other words, Dahiya stood a chance to immigrate if he had a compelling new business operating in Canada.

But then, starting a startup isn't easy. It was here Ajay Sharma's ingenuity worked. He introduced Dahiya to other Indians looking to settle abroad. Dahiya teamed up with three such people, who, collectively, came up with a business idea. They proposed to start a company that would develop smart facial recognition systems for home, retail and other businesses.

Sharma then connected the four to an incubator and immigration lawyers in Canada. Their application was approved and the permanent residence (PR) status came in December 2021. The Dahiya's flew to their new home in Ontario in February 2022.

Most business or investment visas offer PR and not citizenship to begin with. Res-

idency typically allows one to enter and exit the country at will, purchase real estate, enjoy healthcare and education benefits. Citizenship is the next step, and grants the right to vote, stand for public office and be eligible for a passport. Some countries, like Canada and the US, allow permanent residents to eventually apply for citizenship.

While there is no minimum investment required for the Canadian visa programme, most business or investment visas of other countries do require a minimum investment. If you are wealthy enough to have that sort of capital, getting a foreign residence isn't very tough. UAE's Golden Visa, for instance, requires a minimum capital of \$550,000. The US' EB-5 immigrant investor programme requires a minimum investment of \$800,000.

Data suggests that more and more wealthy Indians are exploring investment visas as a way to take up permanent residency abroad. And they are increasingly realizing that studying and working abroad are not the only way to immigrate.

Indians taking up PR in Canada, through all kinds of visas, increased from 39,340 in 2015 to 118,095 in 2022. Their share among total PR issued increased from 14.5% to 27% during this period. The total number of US green cards issued to Indians increased from 66,434 in 2012 to 93,450 in 2021. EB-5 visas issued to Indians increased from just 72 in 2009 to 1,381 in 2022, according to the US State Department.

While those who migrate seek a better life and an advantage when it comes to the education of their children, how do countries benefit? The answer is simple. The US Congress, for instance, created the EB-5 programme in 1990 to "stimulate the US economy through job creation and capital investment by foreign investors". Dahiya's facial recognition company, today, employs five people. But he didn't stop with this business. He has recently invested in a sports bar, whereas his partners have further invested in real estate, a food franchise, and a restaurant in Canada. Such businesses generate jobs at the bottom of the labour pyramid.

THREE COHORTS
Let's understand who among the wealthy wants to immigrate on an

investment visa and when. There are three cohorts.

Mint's interaction with various visa consultants and immigration lawyers suggests that education and career of their children is the biggest motivator for the wealthy. For them, the US, Canada, Australia and the UK are the most preferred destinations.

"One of the major immigrating groups are parents in the age group of 35-50 years. Their first child is in school and will soon go to college. They could not immigrate when they were young for various reasons," says Prashant Ajmera, an immigration lawyer. The cost of education would be 50-80% lower if you are a local resident in some countries.

"Quality higher education is highly competitive in India. It's easier to get through to an ivy league compared to getting admitted in the IITs or IIMs," says Abhinav Lodha, chief operating officer at Golden Gate Global, a US-based investment management firm working with EB-5 clients. The ₹1 crore starting salary is a headline in India, but it's a common number in the US, he adds, as compensation for effort is much higher in the US.

"An investment of \$800,000 (the minimum required under EB-5) may seem like a big amount, but if you take into account the starting salaries here (from \$70,000 to \$120,000) along with stock options, you quickly get a return on the investments," explains Lodha.

This sort of comparison is a tad simplistic but consultants often cite these in their discussions with prospective clients. The cost of living is far higher in the US compared to India, which needs to be taken into account while making such comparisons.

The other prominent group seeking investment visas are wealthy parents whose children are already in a college abroad. "But they realize that it's going to take 20 years to get a green card for him/her. So, they choose the EB-5 route," says Ajmera.

While the waiting period for green cards for skilled professionals and workers is over 10 years, there is no such delay for EB-5 applicants. Yet another class of Indians immigrating are senior executives in their late 40s or early 50s, who are moving for a better lifestyle and social security. "Your priorities change from 20s to 40s: you start looking at 10 years ahead, and peace of mind. There is no pension or insurance coverage in private sector

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WHAT

Wealthy Indians can get foreign residence through investment route. Some countries ask for a minimum capital investment—the US' EB-5 programme requires an investment of \$800,000.

WHY

The wealthy use the investment route to secure better education and career for their children. The US, Canada, Australia and the UK are the most preferred destinations.

AND

Once abroad, Indians invest in a range of businesses, from restaurants to real estate. Some HNIs set up their family offices due to robust banking infrastructure in these countries.

jobs. You don't want to lose 15 days of life every year just because of pollution," reasons Ajay Sharma of Abhinav Immigration Services.

LICENCE TO EXPAND

Once abroad, Indians choose to invest in a range of businesses.

In 2021, Roop Pratap Chaudhury, executive director of Noormahal Palace Hotel in Haryana, started a new restaurant, Colonel Saab, in London. "As I shifted my residence to London, I observed a fascinating trend among many high-net-worth individuals (HNIs)," he says. "They are constantly seeking new ways to expand their operations globally and see living abroad as a natural progression. The regulatory environment, openness to diversity, ease of doing business, and access to capital in a few fast-growing economies are also making it an attractive proposition," he adds.

Chaudhury received a 'Representative of an Overseas Business Visa' and was helped in the process by Falguni Parekh, an immigration lawyer and the founder of SmartMove2UK. The company works

with people who want to expand their family business in the European market.

The Representative of an Overseas Business Visa is granted to those intending to set up a wholly owned subsidiary, or register a UK branch, for an overseas parent company.

"Singapore and Dubai remain interesting for wealthy Indian families to set up their businesses and also for setting up family offices due to its robust banking infrastructure," says Nirbhay Handa, group head of business development at Henley & Partners, a consulting firm for investment-linked citizenship and residence.

While the UAE's Golden Visa route is expensive, the country also offers residence visas for up to three years to the owners and executives of companies set up in free zones.

"The free trade zone market is very big. Companies are moving there for two reasons: attractive infrastructure for exporters and banking solutions (remitting and receiving money is easier and requires few documents)," says Ajmera.

VISA SHOPPING?

The words 'golden visa' are alluring. It can give an impression of purchasing residence or citizenship, in exotic locations or tax havens such as Cyprus, Malta or Panama. Such visa programmes do exist, but their takers are few and far between, say visa experts.

One exotic location preferred by Indians were the Caribbean islands (Grenada). The US allows nationals from there to do business through its E-2 Treaty Investor visa—granting a stay for up to two years, which can be further extended.

Some Indians acquired citizenship of these countries to access the route. In other words, this was a circumvention. But not any longer.

"The US has made it mandatory for them (people who use the E-2 Treaty route) to be a resident in these countries for at least three years, closing the easy door," says Sharma.

He picks Canada, the UK, Germany and Australia as hot destinations among his clients now. The US is tough to crack, he adds.

"People pick locations where they can stay an active businessman. As far as golden visas in the European Union (EU)

countries are concerned, Portugal's has been shut down. Others will follow suit in a year or so—what happens in one EU country is usually followed by others," Sharma says. Ireland's golden visa has been discontinued, too.

Portugal and Ireland scrapped their golden visa programmes because of surging real estate prices (the influx of immigrants led to the spike) and money laundering, among other reasons.

CITIZENSHIP QUESTIONS

The surge in Indians relinquishing their passports to take up citizenship in other countries in recent years has been presented in a bad light. It is often portrayed as a brain or wealth drain. Some say it is a lack of confidence in India. But that may not be the case, experts say.

The number of cases of Indians relinquishing their passports increased from about 123,000 in 2011 to 226,000 in 2022. "The reality is that those who received citizenship of other countries in 2022 did not go abroad last year. They would have immigrated many years ago. For the US, they would have gone 20 years ago; for Canada, it would be three-

five years ago," says Ajmera. For Australia, one has to stay in the country for minimum four years to apply for citizenship.

Around 75% of those who renounce Indian citizenships typically do it in lieu of citizenships of the US, Australia or Canada.

India does not allow dual citizenship and this makes it difficult for Indian immigrants to hold on to its passport.

"The reality is that if you are settled in a country for many years, it makes sense to acquire the passport of that country you're living in," says Abhinav Lodha of Golden Gate Global. If India allowed dual citizenship, many would like to hold on to their Indian passport, as Indians are traditionally patriotic, he adds.

Nonetheless, the lack of dual citizenship is somewhat compensated by the overseas citizenship of India (OCI) card. An overseas citizen of India is granted multiple entry, multi-purpose and life-long visa for visiting India, and are treated at par with non-resident Indians (NRIs).

"I've a US passport, and an OCI card. I visit India six-seven times a year, and it does not feel like a burden at all," says Lodha.