

Indians go West, take up 'residence by investment'

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High net worth individuals are making a beeline for residence-through-investment programmes in the U.S., Portugal, Australia, Malta, and Greece

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Representational file image.

Pankaj Sharma, 50, moved to Canada in 2019. He followed his wife, Pooja Tandon, an IT professional who was first offered a role there. In 2022, the family applied for permanent residency that will make them eligible for Canadian citizenship after five years, on fulfilling certain conditions.

“The primary reason to move here was professional, but after coming here we realised that our daughter was at a stage in her life that we could not change her education system too often, so we applied for permanent residency and got it,” Mr. Sharma said. He added that his daughter, who often fell sick in Delhi due to air pollution, has not complained of chest infection even once since they moved to Canada.

In 2022, **over 2.25 lakh Indians renounced Indian citizenship**, the highest ever since 2011, according to data tabled by the Ministry of External Affairs (MEA) in Parliament on February 9. The data reflects how Indians, especially high net worth individuals (HNIs) are moving westward with new passports, in search of better opportunities, healthcare, quality of life, and education, among several other factors.

Have money, can move

HNIs are those who have wealth of over \$1 million or ₹8.2 crore. According to the Henley Global Citizens Report, there were 3.47 lakh such people in India in December 2021. Of these, 1.49 lakh HNIs were found in just nine cities: Mumbai, Delhi, Kolkata, Bengaluru, Hyderabad, Pune, Chennai, Gurgaon, and Ahmedabad. According to the report, India ranked fourth in the world in terms of privately-held wealth, after the U.S., China, and Japan.

Industry representatives say that there has been a surge in requests for residence-through-investment programmes especially for the U.S. EB-5 visa, Portugal Golden Visa, Australian Global Talent Independent Visa, Malta Permanent Residency Programme, and Greece Residence by Investment Program.

Going west

Shilpa Menon is the senior director of the Indian branch of LCR Capital Partners, a global private investment and advisory services firm. “India is really rising in the ranks among successful applicants for the Portugal Golden Visa, climbing to fourth place [in the world] in 2022, from fifth place in 2021, and ninth place in 2020,” she said. The Portuguese investor visa programme benefits individuals and families, providing them with the right to live, work, study, or retire in Portugal and the rest of the European Union.

“Since the programme’s creation, more than 130 visas have been issued to Indian nationals,” Ms. Menon said. Among the qualifying requirements, purchasing property worth Euro 500,000 (₹4.4 crore) in a high-density area and creating at least 10 jobs for Portuguese nationals, are mandatory. Five years after the investment, the individual can obtain a Portuguese passport, making them eligible to visit over 150 countries without a visa. Portugal last week decided to end the programme, as per a *Reuters* report.

The EB-5 visa programme of the U.S., which requires a minimum investment amount of \$800,000 (around ₹6.6 crore) over a period of 5 to 7 years and the creation of 10 permanent jobs for U.S. citizens, is also much sought after. The visa makes an individual eligible for American citizenship after five years.

Investing for the children

Goldi Chawla, the head of Indian and Middle Eastern operations for CanAm Enterprises, working in the immigration-linked investments space, said that in 2021, Indians received 211 EB-5 visas, the third highest of any country. Of these, 194 were processed by his firm.

“Ten years ago, Indians constituted only about 2-3% of EB-5 visas issued, with 62 Indian investors being issued an EB-5 visa in the fiscal year 2010,” Mr. Chawla said. He added that Indian parents were among the highest applicants for EB-5 visas, investing to give their children faster access to a green card. “Additionally, HNIs like business owners, entrepreneurs, and professionals such as doctors and engineers are also enthusiastic applicants,” Mr. Chawla said.

Abhinav Lohia of Golden Gate Global, another immigrant investment firm, said that in the past six months, they have received over 100 queries and were able to close 15-20 investors applying for EB-5 visas. “Many professionals from Mumbai, bankers from Delhi and Gurgaon, entrepreneurs from Bangalore who have exited startups, or companies with balloon payments want to move to the U.S.,” Mr. Lohia said.

Wealthy and willing

For the EB-5 programme, funds are collected in an escrow account and are given out as loans for development and construction projects. “As soon as the project is complete, the borrower refinances this loan with a long-term debt from the bank and repays this in about five years. Most projects, including residential development in the Bay area (San Francisco and adjoining areas) and commercial towers in New York, have done well. Some people have also invested in the hospitality sector,” Mr. Lohia said, adding that the trend did not necessarily mean a flight of wealth from India; instead, it could mean a diversification of funds.

It’s not just about investments though. Ms. Menon says that HNIs have broadened their definition of wealth. “Beyond financial assets, they now also consider good health, legacy, and the quality of life they enjoy with their families as key contributors to their holistic wealth,” she said. “Today, wealthy families want better healthcare, open and flexible business environments, and access to better academic and professional opportunities. Alternative residency programmes provide them these options.”