

# Mobility: Immigration alert

January 2023



## United Kingdom

### Government provides final response summarizing review findings for Tier 1 Investor Visa Route

#### Executive summary

Following a review of the Tier 1 Investor Visa Route (“the Route”), on 12 January 2023, the UK government provided its [final response](#) summarizing the findings and its decision to close this route permanently. The UK had operated some form of investor visa program for high-net-worth personal investment since 1994. The Tier 1 (Investor) Visa Route was launched on 30 June 2008. It has been subject to regular review, including, most recently, in 2018. The Route was ultimately closed on 17 February 2022, after the Russia-Ukraine crisis began. The Home Office has found that there are inherent difficulties in an investment-based immigration route based on passive wealth, both in terms of security and economic value.

#### Background

The Route allows for residence in the UK and later settlement subject to eligibility, where an applicant has invested at least GBP 2 million in share capital or loan capital in active and trading UK-registered companies. The Home Office reviewed 6,312 Tier 1 (Investor) Visa cases of migrants and adult dependents who were granted permission between the launch of the route on 30 June 2008 and the introduction on 6 April 2015 of a requirement to open a regulated UK bank account before submitting an application under this visa category.

The review of cases identified a small minority of individuals connected to the Route that were potentially at high risk of having obtained wealth through corruption or other illicit financial activity, and/or being engaged in serious and organized crime. The lessons learned from this review, and from ongoing

monitoring and evaluation of the Route and the impact of reforms made between 2014 and 2019, formed a significant part of evidence based on which the government made its decision to ultimately close the route on 17 February 2022.

#### Tier 1 (Investor) Visa Route review findings

The Home Office found that the UK Immigration system is not as well equipped to respond to the risks posed by this route compared to other visa routes. Findings include the following:

- ▶ The route attracted a disproportionate number of applicants from countries identified in the UK's 2020 National Risk Assessment of money laundering and terrorist financing as particularly relevant to the cross-border money laundering risks faced and posed by the UK.
- ▶ There was evidence of high-risk Tier 1 (Investor) applicants seeking out and exploiting financial institutions that had the weakest customer due diligence controls, and a number of institutions have been penalized with fines by the Financial Conduct Authority.
- ▶ Despite UK Visas and Immigration personnel being trained immigration caseworkers, the risks posed by the Route would require specialist expertise in detecting financial criminality. In addition, complex financial crimes such as corruption and embezzlement can also remain undetected for significant periods of time.

#### New model for investor migration

The UK government intends to introduce new investment-related immigration routes which do not offer entry solely on the

basis of applicants' personal wealth. It is considering options to bring forward alternative provisions to support investment-based immigration benefiting the UK economy on a fundamentally different model within the Innovator Visa Route, placing more emphasis on applicants' proven track record as investors in innovative business and their credible plans to actively engage in investment activities in the UK.

### Impact

Tier 1 Investor migrants currently in the UK may seek immigration advice to assess any impact of these changes on their extension and indefinite leave to remain applications.

### Key steps

EY will continue to monitor these developments. Should you have any questions, please contact one of our immigration professionals.

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