

UK Government relaxes immigration requirements for investors and Entrepreneurs

The UK Government has announced a number of changes to the UK's immigration rules for investors and entrepreneurs. These changes come into effect on 6 April 2011, and are designed to make the UK more attractive to High Net Worth individuals and entrepreneurs. The changes provide for a fast track to settlement (permanent residence) for those investing significant funds or with successful businesses in the UK. Very importantly the changes also dramatically relax the time that investors and entrepreneurs will need to remain in the UK to qualify for settlement will be relaxed.

Investors

The new rules provide that new investors and those already in the UK in this category will be fast tracked the settlement in the following circumstances:

- Those investing at least £10 million will be able to apply for settlement after two years;
- Those investing £5 million will be able to apply for settlement after three years; and
- Those investing £1 million will continue to be able to apply for settlement after five years.

The rules apply retrospectively so that those in the UK already can increase their invested funds to accelerate their route to settlement.

Relaxed rules re residence in the UK

The new rules relax the residence requirements and will now allow investors to be outside the UK for up to 180 days in any 12 month period.

British Citizenship acquisition

The rules for British Citizenship remain unchanged. Investors are required to complete a period of five years residence in the UK, one of which must have been as a settled person. The current rules are that investors must complete five years residence. At that point they can apply for settlement and then complete another year with this status before being able to apply for British Citizenship. Under the new rules, those investing £5 or £10 million will be able to qualify for Citizenship a year earlier than previously.

Entrepreneurs

As a way of making the UK more attractive as a place to start a business, the rules for Entrepreneurs have also been relaxed. Currently Entrepreneurs need to demonstrate that they have at least £200,000 available for investment in the UK. The new rules lower the amount of initial capital requirement and offer a fast track to settlement for successful entrepreneurs.

Entrepreneurs can now come to the UK to seek start up funding under a six month Prospective Entrepreneur visa. They can then extend their stay if they are successful.

Furthermore the amount of capital has been reduced to £50,000 where this has been obtained through:

- a UK FSA regulated private equity firm;
- a UK government affiliated investment body; or
- an entrepreneurial funding awarding body recognised by UK Trade and Investment (UKTI).

Faster settlement

A faster route to settlement is also available for entrepreneurs who have been in the UK for at

least three years where the business has:

- created at least 10 new full-time jobs of UK, EU or UK resident staff which have existed for at least 12 months; and
- a turnover of at least £5 million cumulatively over the previous three years.
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These rules apply retrospectively. Furthermore, residence requirements will also be relaxed to allow Entrepreneurs to spend greater period outside the UK in each year.

Combination with res non dom rules

When combined with the existing rules for resident non domiciled individuals, these changes go a long way in making the UK an attractive option for the wealthy or entrepreneurs of the world.

Osiris has relationships with solicitors who can provide specialist information on the topic and is happy to assist with initial enquiries and provide the introductions as required.

Key Contact:

If you require advice or assistance in regard to any of the matters raised in this brochure, please contact your usual contact or

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