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An insight into Roman Abramovich's visa woes

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Foreign investors such as the Chelsea owner should not be 'demonised' by the Home Office, especially in times of political uncertainty and austerity in the UK, writes Kathryn Bradbury

Speculation has been rife in the press recently over Roman Abramovich and the delay in renewing his UK investor visa, so much so that the billionaire has now reportedly 'withdrawn' his application.

The reasons for the delay were unknown, however, it is easy to fall foul of the immigration laws in the UK largely as a result of the relentless changes to the rules since 2012. That being said, these pitfalls can be avoided with a proactive and informed approach.

The UK has had an investor visa category since 1994. Initially set at £1 million, the threshold was raised to £2 million only very recently in November 2014. The visa is initially granted for three years (and four months if applying from outside of the UK) and should be extended for a further two years before it expires. Prudent planning is crucial because if the investor is outside of the UK when the visa expires, they will need a new visa from abroad to return, and as we have seen with Russia in particular, these applications can take time to be considered and source of wealth carefully checked.

The old £1 million rules required that the investments were topped up within a specified period if the market value dropped below £1 million, however the newer £2 million rules do not require topping up, just that the capital is not withdrawn.

Abramovich seems to have been resident in the UK for several years, one question is why he has not, therefore, obtained indefinite leave to remain in the UK which can be applied for after five years residence (or less, two or three if the investor invests £10 million or £5 million). One reason may be due to the fact that the immigration rules for indefinite leave to remain have strict absence requirements. The investor must not have been out of the UK for more than 180 days per year. Recent tightening of this requirement in January 2018 applied this rule to partners too, and also 'clarified' (Home Office term for 'fundamentally changed') that the requirement meant any absence of 180 days in any rolling 12 month period, not fixed 12 month periods working back from the date of application.

Investor visa applications are carefully reviewed by the Home Office and there are provisions that allow applications to be refused based on character and unlawful source of funds. The investor has, since 2015, been required to have a UK bank account before applying requiring extensive due diligence by financial institutions.

The investor category is highly politicised with criticism that the category has been used to channel illicit funds into the UK. The counter argument is that this category has been significantly tightened in recent years and applications are subject to heightened scrutiny. Careful scrutiny of source of funds and wealth is necessary and welcome but those coming to the UK under the investor category should not be demonised, they bring investment into the UK that should be welcomed in times of austerity.

Politics aside, although the number of investor visas granted fell significantly in 2014 (when the financial threshold increased to £2 million) the numbers have steadily increased year on year since then. This demonstrates that the UK is still highly attractive to foreign HNWs and should continue to be so.

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