

Red Carpet for Dirty Money

How the UK's Golden Visa regime urgently needs further reform and more transparency

July 2021

Susan Hawley, George Havenhand, Tom Robinson



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Acknowledgements:

The authors are grateful for the detailed and insightful comments by Joseph Sinclair, Dr Kristin Surak, Dr Sarah Kunz and Oliver Bullough.

Additional research by Jaysim Hanspal.

This research was funded with the generous support of:



John Ellerman Foundation

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Key Statistics

£2 million buys you a golden visa

50% of all golden visas issued are being reviewed by the Home Office for potential national security risks

3 years and 4 months since that review began – it still hasn't been published

A decision on a golden visa application is made within 3 weeks, for asylum applications it is 6 months

9% of golden visa applications are rejected, compared to 42% of asylum applications

2008-2015 – the 'blind faith' period, when little or no checks were carried out on applicants' wealth

85% of golden visas issued to Russian nationals were during the 'blind faith' period

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Executive Summary

The UK's golden visa regime – long recognised as a significant corruption and money laundering risk – is in need of urgent scrutiny, greater transparency and further reform.

A key Court document released last week revealed that Izzat Javadova, first cousin of President of Azerbaijan, Ilham Aliyev – an autocratic ruler nominated in 2013 as one of the most corrupt people in the world¹ – received a golden visa. Other recipients include:

- Nirav Modi, awaiting extradition to India from the UK for a £1.5 billion fraud and money laundering scam against a state-owned bank;²
- Zamira Hajiyeva, wife of the former chair of Azerbaijan's state bank and recipient of the UK's first ever Unexplained Wealth Order; and
- Madiyar Ablyazov, son of a former energy minister in Kazakhstan accused of stealing over £7 billion from a Kazakh bank, which resulted in losses of £1.3 billion to UK bank, RBS.³

A UK government review announced over three years ago – into golden visas issued between 2008-2015, when minimal checks appear to have been carried out on applicants – has yet to be published, leaving the public with no clarity on what, if any, action the government has taken as a result. Spotlight has learned that 6,312 golden visas, half of all such visas ever issued, are being reviewed for possible national security risks.

Many of the individuals issued visas in this period will have become eligible to apply for citizenship over the past few years. In particular, those who applied in a huge surge during 2014 will have reached citizenship eligibility during 2020. Clarity on whether visa holders were adequately vetted before being granted citizenship and details of how many were refused citizenship following vetting is essential.

Meanwhile, major loopholes remain in the current regime. In April this year, the UK Court of Appeal concluded reluctantly that a circular investment scheme involving 100 golden visa applicants, allowing them to borrow money from a firm owned by Russian nationals in order to make investments that ultimately went to companies largely in Russia, was legal. The judges called for a comprehensive review of the Immigration Rules. Other loopholes in the current regime include:

- excessive reliance by the Home Office on wealth managers, who benefit financially from investments made, to do due diligence on applicants' source of wealth;
- no requirement to provide mandatory evidence of the source of wealth that has been held for more than 2 years; and
- no requirement to provide mandatory evidence of the source of wealth where money has been 'gifted' to an applicant.

As the UK government gets set to introduce its New Plan for Immigration⁴ based on the principle of fairness, an urgent audit of whether the golden visa regime fits with that principle, and protects the UK against dirty money, is essential.

Spotlight on Corruption is calling on the government to:

- Urgently publish the findings of its review of the 2008-2015 period, including detailed statistics on what action has been taken on specific cases, including referrals to law enforcement, revocation of visas, and denials of citizenship applications.
- Commission an independent public audit into whether the Tier 1 (Investor) Visa regime meets its original purposes including whether it fits with the principle of fairness.
- Publish annual statistics on the number of visas under the Tier 1 (Investor) Visa regime denied or revoked on the basis of corruption or human rights abuses.
- Redraft the Immigration Rules to close existing loopholes.

Spotlight on Corruption is also calling on the Financial Conduct Authority to:

- Conduct an urgent thematic review of wealth management companies involved in Tier 1 (Investor) Visa investment management.
- Provide far greater clarity and transparency about what steps it has taken to ensure those financial institutions that offer advice and services on Tier 1 (Investor) Visas have robust financial crime procedures in place.

Introduction

Last week the Evening Standard reported that Izzat Javadova – first cousin of the President of Azerbaijan and daughter of the former President’s brother – who was subject to a high-profile dirty money investigation by the National Crime Agency, was “*given a visa by the Home Office because of her wealth*”. A key document released by Westminster Magistrates’ Court last week confirmed that Javadova was issued a golden visa.

In April this year, meanwhile, the UK’s Court of Appeal found current rules for golden visas to be “*poorly drafted*” after reluctantly concluding that an “*objectionable*” scheme involving loans to more than 100 visa applicants for investments that ultimately went to companies in Russia (via a UK registered company) was completely legal.⁵ The judges called for a “*comprehensive review*” of the Immigration Rules.

Golden visas allow wealthy individuals to buy the right to live in the UK if they invest in UK-registered companies. Individuals that invest £2 million get an immediate right to live in the UK for 3 years followed by a 2-year extension. Those that invest £10 million can be fast-tracked to get indefinite leave to remain within 2 years, or within 3 years if they invest £5 million. From indefinite leave to remain visa holders are on a steady path, after one year, to much prized UK citizenship.

Study after study has queried whether golden visas bring real economic benefit to developed economies that introduce them.⁶ Golden visa and golden passport regimes also pose significant risks of corruption and to financial integrity, with the International Monetary Fund (IMF) noting that “*abuses are widely documented, including enabling corruption, money laundering, tax evasion and other crimes*”.⁷

There is increasing international action to clamp down on abuse of golden visas and passports. In the US, efforts are underway to introduce radical transparency to its golden visa regime with the Golden Visa Accountability Act, which would require the US government to create a database of visa denials on the basis of corruption and human rights abuses.⁸

Golden passport regimes have also been in the limelight in the past year, with the European Commission starting litigation against Cyprus and Malta for their golden passport programmes.⁹ The IMF has called on countries to conduct robust vetting of applicants, improve transparency and oversight by publishing names of those who receive citizenship under such regimes and conducting “*periodic public audits*” to ensure such programmes fulfil their intended purpose.¹⁰ Given that golden visas are ultimately a path to citizenship – for those who satisfy the requirement to be physically present in the UK for long enough – there are good reasons for similar standards to be applied.

In 2018, the UK government announced a review of all golden visas issued between 2008 and 2015 following long-running concern about abuse of its regime. However, over three years on, the public is no clearer about what the findings are from this review or what action, if any, the government has taken in response to it.

Many of those who received visas during this period will have been eligible to apply for citizenship over the past three years so it is imperative that there is full and utmost transparency about what the findings of this review are and about how many of those who entered on golden visas during that period have subsequently become UK citizens.

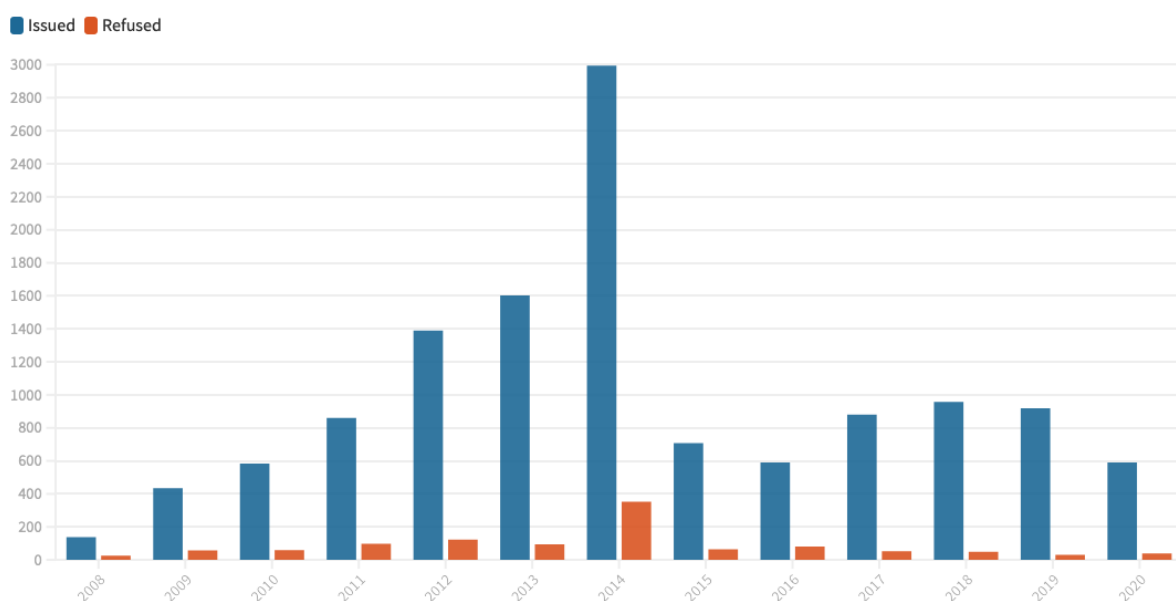
Meanwhile, despite various reforms since 2015, the UK's ongoing golden visa programme remains open to abuse, contains glaring loopholes and lacks meaningful transparency.

History of the UK's golden visa regime¹¹

Since 1994, wealthy applicants have been able to access UK residency through investment under the Immigrant Investor Route. In 2008, in response to the financial crisis, this route was renamed the Tier 1 (Investor) Visa – otherwise known as a 'golden visa' – under a new points-based immigration system to attract new investment into the UK. The changes led to a significant increase in the number of people applying for such visas.

Further changes were introduced by the Coalition government in 2011 seeking to “*roll out the red carpet for entrepreneurs and investors*”, by giving those who invested larger sums of money permanent residency faster, and significantly relaxing residency requirements.¹²

Golden Visas 2008 - 2020



Source: Home Office • Main Applicants & Dependents

New rules doubling the amount of investment required were introduced from November 2014. This contributed to a peak of applications to get in under the lower investment threshold, with 2,995 visas granted to applicants and their dependents in 2014. The increased investment requirement, and further changes requiring applicants to hold a UK bank account prior to applying from April 2015, resulted in a substantial drop in applications, with an average of 774 visas granted annually to applicants and their dependents since 2015.

Home Office records show that between 2008-2020, a total of 12,649 golden visas were issued to applicants and their dependents (4,651 of which were to the applicants).

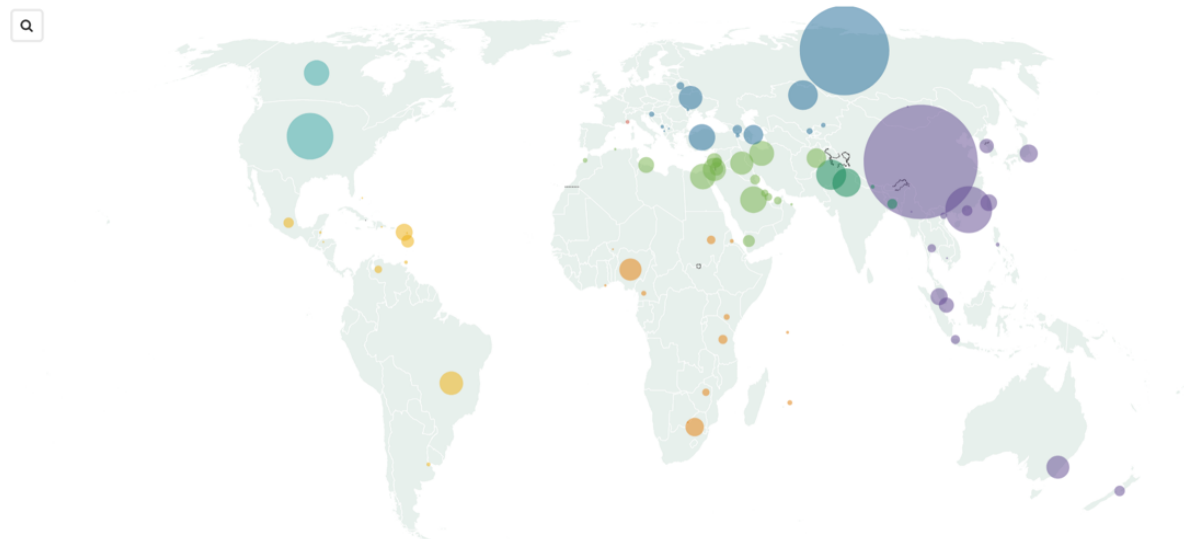
Over the same time period (2008-2019), 9% of golden visa applications were refused. In comparison, 42% of asylum applications were rejected (data on asylum application outcomes is not available for 2020)

During that period, only 1,125 (8%) applicants and their dependents were refused a golden visa. In comparison, 42% of asylum applications were rejected between 2008-2019 (data not yet available for 2020).¹³

A significant majority of golden visas have been issued to individuals from countries with a high risk of corruption. Between 2008-2020, 32% of all golden visas issued were to individuals from mainland China and 20% to individuals from Russia.¹⁴ Other significant countries of origin with high risks of corruption include Saudi Arabia, Kazakhstan, Pakistan, India, Egypt, Ukraine and Turkey.¹⁵

Total Golden Visas Issued 2008-2020: Regional Distribution

Asia-Pacific Europe and Central Asia North America South Asia Middle East and North Africa Latin America & the Caribbean Sub-Saharan Africa Western Europe



Source: Home Office • Main Applicants & Dependents

Interactive Graph: <https://public.flourish.studio/visualisation/6436500/>

Applicants are often attracted to the UK for its private education system, property market, healthcare and stable economic and political environment as well as the mobility privileges associated with a UK passport.¹⁶ The UK has regularly been cited as one of the top 10-15 most popular golden visa regimes in the world. It is also reputed to have one of the fastest application turn-arounds globally, with the government promising a decision within 3 weeks¹⁷ (and one website touting the UK's turnaround as 1-3 weeks) compared to several months for other regimes and several years for the USA.¹⁸ For a UK asylum application, the turnaround time is 6 months.¹⁹

Problems with the golden visa regime

Lack of economic benefit to the UK

The golden visa is founded on the rationale that it brings economic benefit to the UK. Advocates claim that the regime has brought in at least £6.5 billion of investments since 2008,²⁰ and that it should be used to kick-start the UK economy post COVID-19.²¹

However, a report by the independent Migration Advisory Committee (MAC) in 2014 found that while benefits to visa applicants were significant, it was less clear whether “*UK residents benefit from the existence of the route, and even if they benefit at all.*”²² The main benefit from the visa regime results indirectly from spending by visa holders rather than directly from investments made. Some have queried whether this investment diverts investment from less affluent countries.²³

The government revised the golden visa regime in November 2014 in response to the MAC report, including by increasing the investment threshold from £1 million to £2 million, requiring the full amount to be invested, and giving immigration officers the power to refuse visa applicants if they have reasonable grounds to believe that the funds were obtained unlawfully. However, a recommendation from the MAC, that the government auction a premium route to applicants which would include a £500,000 donation to the UK government to be invested in a “*specific good causes fund*”, was not taken up by the government.

The ruling in April 2021 by the Court of Appeal that a circular investment scheme involving UK-registered firms owned offshore by Russian nationals who simply used these firms to channel the money and re-invest it in Russian companies was legal, should reignite this debate.²⁴

The scheme, described as “*objectionable*” by the Upper Tribunal, allowed over 100 applicants for a Tier 1 (Investor) Visa to borrow £1 million from a firm registered in London but ultimately controlled by a Cypriot company, Maxwell Asset Management Ltd, which was owned by a Russian national, Dmitry Kirpichenko. In turn this £1 million was ‘invested’ in a Jersey registered firm, Eclectic Capital Ltd, owned by Kirpichenko’s wife, Nika, who, for the large part, used the money to invest in Russian companies. Subsequent investments by Eclectic into UK hospitality businesses turned out to be largely into dormant UK companies themselves owned by Nika Kirpichenko.

In March 2021, the Financial Conduct Authority (FCA) stopped a wealth management firm, Dolfin Financial, from carrying on regulated business after concerns about its Tier 1 (Investor) Visa business activities and financial controls.²⁵ At the end of June 2021, lawyers for Dolfin told a court that one of the issues had been that Dolfin was making loans of £1.6 million to investors which raised questions as to whether that represented a legitimate investment in a UK company.²⁶

Risk of money laundering and other criminal activity

In October 2015, Transparency International UK released a report highlighting the

vulnerability of the Tier 1 (Investor) Visa regime to laundering proceeds of corruption and finding that it was *“highly likely that substantial amounts of corrupt wealth from China and Russia have been laundered into the UK”* through the regime.²⁷

These concerns were echoed by the UK’s Intelligence and Security Committee’s investigation on Russia, which took place between 2017-2019 and was published in July 2020.²⁸ The report highlighted that: *“It is widely recognised that the key to London’s appeal [for Russian oligarchs and their money] was the exploitation of the UK’s investor visa scheme ... followed by the promotion of a light and limited touch to regulation”*. The report said that this offered mechanisms for laundering illicit finance and called for a more robust approach to the approval process for golden visas.

Our research shows that applicants and their dependents from Kazakhstan – a country with endemic corruption issues – received 206 Tier 1 (Investor) Visas between 2008-2015, representing the fifth highest country recipients in the period, behind China, Russia, the United States and Hong Kong.

Recent academic research meanwhile has found that the highest per capita recipients of UK golden visas in 2010-2018 were applicants from Saint Kitts, followed by Monaco, and then Dominica. These are likely to be from what is known as ‘serial investor migrants’ – individuals who obtain citizenship by investment and subsequently seek residence by investment in other jurisdictions to increase their “mobility portfolio.”²⁹ The research suggests that serial investor migrants can pose additional security risks unless requirements to disclose all other citizenships are rigorously enforced.

“Blind faith”

Prior to reforms introduced in April 2015, golden visa applicants were not required to have a UK bank account before applying for or being awarded a visa and there was no dedicated system for anti-money laundering checks. The Home Office relied on UK financial institutions to carry out anti-money laundering checks when they received the investment funds, while financial institutions took golden visas as evidence of account holders’ legitimacy. As a result, little or no due diligence on the wealth of these applicants was undertaken. This period has been called the ‘blind faith’ period by Transparency International.

Strikingly, 68% (2,786) of all golden visas that have been issued to individuals from mainland China, and 85% (2152) of all golden visas issued to individuals from Russia since 2008, were granted in the ‘blind faith’ period between 2008-2015.

Those thought to have entered the UK on a golden visa during this period include:

- **Izzat Javadova**, an Azerbaijani politically exposed person, the first cousin of the President of Azerbaijan, received a golden visa.³⁰ Javadova was recently facing a forfeiture case by the UK’s National Crime Agency, who argued that her funds were probably obtained by corruption, theft and embezzlement in Azerbaijan, and laundered through the Azerbaijani Laundromat. Ms Javadova has denied those

claims and settled with the National Crime Agency (NCA) on 5th July 2021, admitting no wrongdoing.

- **Gennadiy Bogolyubov**, a Ukrainian oligarch gained residency in 2009 under the golden visa scheme.³¹ He currently faces a £2 billion claim for fraud brought by PrivatBank in the UK Courts.
- **Zamira Hajiyeva**, the first target of a UK Unexplained Wealth Order, was issued a golden visa in 2010. Her husband, the former chairman of Azerbaijan's state bank, was sentenced in 2016 in that country to 15 years in prison for embezzling 125 million euros.³²
- **Madiyar Ablyazov** was issued a golden visa in 2009. The £1 million investment for the visa was a gift from his father, Mukhtar Ablyazov, a Kazakh politician who is alleged to have embezzled³³ and mismanaged³⁴ billions of pounds of bank assets - in what is described as one of the largest ever alleged financial frauds.³⁵
- **Roman Abramovich**, the Russian Oligarch who owns Chelsea FC, held a golden visa before 2015.³⁶ He sought to renew the visa in 2018, however withdrew his application in June 2018 reportedly after coming under increased scrutiny.³⁷ He subsequently acquired Israeli³⁸ citizenship.
- **Alexander Perepilichnyy**, a wealthy Russian businessman entered the UK as a dependent of his wife and was later granted a golden visa even though Interpol reported³⁹ that he was suspected of "fraud, money laundering and abuse of power". He died in 2012 and there were reports that he might have been assassinated,⁴⁰ though a coroner ruled that he died of natural causes.
- **Mohammed Shahid Uddin Khan**, a Bangladeshi former army colonel, obtained a golden visa in 2009. He was charged in May 2019⁴¹ with funding terror groups, illegal arms dealing, fraud and money laundering offences in Bangladesh.

Additionally, a joint Channel 4 Dispatches and Sunday Times investigation in July 2019 found legal and financial advisers boasting about their role in securing golden visas for: *"a member of the Gaddafi family, the son of a corrupt Thai government minister, an Egyptian charged with corruption, an Eritrean with possible links to military deals in Angola and millionaires from Iran and Iraq whose businesses were affected by sanctions."*⁴²

The Azerbaijan Laundromat and golden visas

On 5th July 2021, the NCA entered a settlement with Izzat Javadova, first cousin of the current President of Azerbaijan and her husband Suleyman Javadov.

According to Court documents that were released following an investigation by the Evening Standard,¹ the NCA were set to argue in court that funds owned by Izzat Javadova, first cousin of the President of Azerbaijan and her husband, Suleyman Javadov, in the UK should be confiscated on the basis that they were probably obtained through corruption, theft or embezzlement in Azerbaijan.

These court documents suggest Izzat Javadova may have used the Azerbaijani Laundromat – a \$2.9 billion money laundering operation using UK and offshore companies for the benefit of Azerbaijan’s ruling elite¹ – to receive substantial sums of money into UK bank accounts in 2007-2018. The NCA identified 10 example flows of funds between 2010-2014 to bank accounts in the UK held by Javadova or her husband.

Significantly, Court documents also reveal that *“Mrs Javadova has lived in London for some years, originally under a Tier 1 (investor) visa, which carries the connotation that the Home Office accepted that she had some legitimate personal wealth.”* Due to lack of transparency in the regime it is not known when Javadova’s visa was issued, however, the timings suggested in the court documents raise the possibility that wealth, which the NCA has argued in court is potentially corrupt, could have been invested in the UK through her golden visa.

The elusive government review

In March 2018, following sustained questioning in Parliament about Russian oligarchs entering London with golden visas after the Skripal poisoning in Salisbury, then Prime Minister Theresa May announced that the Home Secretary was reviewing golden visas issued during the blind faith period.⁴³ Over the three years since the review was announced, however, the government has provided little detail about its nature, scale or progress, except to confirm it was taking place. In April 2021, for example, government ministers confirmed in Parliament that the review was ongoing.⁴⁴

In June this year, the Home Office shed new light on the review in response to a request made by Spotlight on Corruption under the Freedom of Information Act, confirming that a review *“has been carried out to assess the risks posed by the route during the period between 2008-2015 in terms of a range of national security threats including illicit finance, corruption and wider serious and organised crime risks.”* The Home Office noted that its purpose was *“to identify what risks were posed and what lessons may be learned in light of any findings.”*

The Home Office confirmed that all 6,312 main applicants and their adult dependents who entered the golden visa route between 30 June 2008 and 6 April 2015 were in the scope of

the review; and that analysis of that cohort has been completed and the findings of the review are being finalised. It noted, however, that the end date and publication date for the review was still to be confirmed.

The Home Office could not confirm how many golden visa extensions had been refused under the review, but noted that individuals of concern could face immigration, civil and/or criminal action.

While a release of the lessons learned will be important, it is essential that the review also provides a breakdown of how many visas reviewed have posed financial or other risks to the UK, and what steps are being or have been taken in response to these risks.

Under the regime, those who receive a visa qualify for Indefinite Leave to Remain (ILR) after 5 years (after a 2-year extension of the initial 3-year visa), as long as they spend 6 months of the year in the UK, and pass English Language and Life in the UK tests. They may then apply for citizenship after one year of holding ILR status.

Many of those who received Tier 1 (Investor) Visas during the blind faith period will therefore have been approaching the point where they may apply for citizenship over the past three years. In particular, the large numbers of those granted visas in 2014 – which included 618 applicants and their dependents from Russia, 1,348 from China, 43 from Kazakhstan and 19 from Azerbaijan – will have been eligible to apply for citizenship during 2020.

It is crucial that there is proper transparency about whether the Home Office has properly vetted those who entered during the blind faith period before they were granted citizenship and how many of those who entered during this period it has given citizenship to.

New rules, ongoing problems

Since April 2015, golden visa applicants have been required to open a UK bank account before applying, bringing with it due diligence and anti-money laundering checks by UK financial institutions prior to visas being issued. Additionally, a requirement for criminal record checks on visa applicants and their dependents was introduced in September 2015.⁴⁵

Between September 2015 and December 2018, the Home Office made minor changes to the golden visa regime relating to residency and investment requirements.⁴⁶ In a major development on 5th December 2018, the Home Office announced it would suspend the golden visa regime altogether and introduce a requirement for an independent audit of investment funds to ensure compliance with the rules. However, just days later the regime was reinstated.

In March 2019, instead the Home Office issued some revisions to the regime which included, among other things:

- requiring applicants to have held investment funds for at least 2 years (increased from 90 days);

- requiring written confirmation from the financial institution opening the applicant's account that it had conducted the necessary due diligence;
- ending investment in government bonds as a route to qualify for the visa; and
- tightening rules around intermediary investment vehicles, including by ensuring they must be regulated by the FCA.⁴⁷

Loopholes and vulnerabilities

Despite the changes made in 2015 and 2019, there are ongoing and deeply concerning weaknesses in the UK's golden visa regime.

Recent academic research suggests that the UK government still relies heavily on financial institutions to carry out due diligence and money laundering checks on applicants.⁴⁸ In late 2018, it emerged that wealth management firms in the UK are increasingly offering client "pre-accounts" or services prior to conducting any due diligence.⁴⁹

Furthermore, the joint Channel 4 Dispatches and Sunday Times investigation⁵⁰ noted above raised serious concerns about whether adequate due diligence was being carried out by the financial institutions managing the investments by wealth managers, and revealed alarming attitudes to due diligence among lawyers and wealth managers involved in advising clients on the regime. These include an undercover reporter being told:

- they would not need to inform the Home Office about moving money overseas for Putin's inner circle (by a financial adviser at Knightsbridge Wealth);
- they should avoid the bigger banks and go with investment funds like Shard Capital, to avoid difficulties (by an adviser for immigration firm, Westkin Law); and
- that the more a client invested the more flexible some specialist investment funds would be on due diligence requirements (by the same advisor).

The investigation raised serious questions about whether wealth managers and law firms, who play a critical role in checking the legitimacy and integrity of investments made to qualify for Tier 1 (Investor) Visas, are adequately regulated. This is particularly important given that these financial institutions are likely to weigh their duties to conduct due diligence against the fact they will benefit financially from their clients' investment.

The recent action by the FCA in relation to Dolfin Financial is a welcome show of strength from the financial regulator in relation to wealth managers. In March this year, the FCA imposed restrictions on Dolfin Financial preventing it from carrying out any regulated activities, after identifying "*a number of serious concerns around the way that Dolfin operated its business, including the firm's Tier 1 Visa business.*"

However, very little detail has been made public by the FCA about what issues it found with Dolfin's handling of the Tier 1 (Investor) Visas and whether any action will be taken against Dolfin and any of its senior staff particularly now the company has gone into administration. Media reports have suggested that Dolfin was steering client money into bonds of

companies owned by Dolphin's directors representing a potentially serious conflict of interest.⁵¹

Under the current regime, the Home Office is arguably entirely reliant on the effectiveness of due diligence and anti-money laundering procedures at financial institutions to ensure that corrupt individuals and illicit investment funds do not qualify for golden visas. This is a significant vulnerability and clearly falls short of IMF recommendations that applicants should be robustly vetted.

Home Office proposals in 2019 to introduce a requirement making an independent audit of wealth a condition for a golden visa have been quietly shelved. Furthermore, proper consideration does not appear to have been given to how to beef up the Home Office's own capacity to do robust vetting of applicants' source of wealth. Recent allegations about an overly cosy relationship between a Home Office visa staff member and a law firm involved in helping High Net Worth Individuals on immigration issues are a cause for concern.⁵²

Furthermore, the recent Court of Appeal judgement shows that there are glaring loopholes that have allowed money to be borrowed through companies ultimately owned in high-risk jurisdictions by foreign nationals and invested in companies in highly corrupt jurisdictions rather than the UK. Another gaping loophole is that money gifted to an applicant does not require any due diligence, other than for the applicant to provide a memorandum of the gift. These loopholes urgently need closing.⁵³

Recommendations for the government

The government's New Plan for Immigration must tackle head-on the serious vulnerabilities in the Tier 1 (Investor) Visa regime and review whether it meets the principle of fairness that underlines the Plan.

We recommend that the government take the following steps:

1. Urgently publish the findings of its review into Tier 1 (Investor) Visas issued between 2008-2015, including details of any national security risks uncovered and measures being taken in response, both to amend the regime itself and in relation to specific cases.
2. Publish disaggregated statistics about how many referrals from the review have been made to law enforcement for consideration of civil or criminal action, how many visas have been revoked as a result of the review, and how many applications for citizenship granted and declined.
3. In line with IMF recommendations for golden passport regimes, commission an independent public audit on the Tier 1 (Investor) Visa regime and whether it is meeting its intended purpose.

4. Publish regular disaggregated statistics on the number of visas under the Tier 1 (Investor) Visa regime that have been denied or revoked on the basis of corruption or human rights abuses.
5. Urgently redraft the Immigration Rules to require an independent audit of the source of *wealth* – rather than just the source of money invested - as a condition of being granted a visa and close loopholes, including ensuring that due diligence is mandatory on investments that are based on gifts.

In addition, we recommend that the Financial Conduct Authority:

1. Conduct a targeted thematic review of wealth managers, and other financial institutions, involved in Tier 1 (Investor) Visa schemes to ensure that their money laundering and financial controls are as robust as possible.
2. Provide far greater clarity and transparency about what steps it has taken or is taking to ensure robust anti-money laundering procedures are in place at firms that offer Tier 1 (Investor) Visa advice and services.

Endnotes

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- ² <https://timesofindia.indiatimes.com/business/india-business/nirav-modi-entered-uk-on-investors-golden-visa/articleshow/68417520.cms>
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- ¹¹ For a historical timeline of the UK's Tier 1 (Investor) Visa scheme, see: <https://www.sarahkunuzonline.uk-investor-visa>
- ¹² <https://www.gov.uk/government/news/government-rolls-out-the-red-carpet-for-entrepreneurs-and-investors>
- ¹³ <https://www.gov.uk/government/statistical-data-sets/asylum-and-resettlement-datasets>
- ¹⁴ <https://www.imidaily.com/intelligence/americans-interest-in-uk-investor-visas-continues-to-grow-1-in-4-iranians-rejected/>
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