

Group Briefing

August 2018

Government Evaluation of Immigrant Investor Programme (“IIP”) reports significant economic benefit

Ireland Client Service Law Firm of the Year 2018
Chambers Europe Awards

Ireland Law Firm of the Year 2018
International Financial Law Review (IFLR)
Europe Awards

Advised on Equity Deal of the Year 2018 – Allied Irish Banks IPO
International Financial Law Review (IFLR)
Europe Awards

Ireland Law Firm of the Year 2018
Who’s Who Legal

Ireland Law Firm of the Year 2017
Chambers Europe Awards

Best Firm in Ireland 2018, 2017 & 2016
Europe Women in Business Law Awards

Best National Firm for Women in Business Law 2018, 2017 & 2016
Europe Women in Business Law Awards

Best National Firm Mentoring Programme 2018, 2017 & 2016
Europe Women in Business Law Awards

Best National Firm for Minority Women Lawyers 2018
Europe Women in Business Law Awards

The IIP enables non-EEA nationals who commit to an approved investment or endowment in Ireland, to take up residency in the State with their families. Further detail on the scheme can be found [here](#).

The Irish Government Economic & Evaluation Service’s (“IGEES”) has now published an overwhelmingly positive review of the IIP.

IGEES reports that the programme has been of significant economic benefit to the State, and has played a crucial role in providing projects in the private and charity sector with supporting finance.

IGEES found that the IIP met its primary objectives by attracting a significant investment that would not have accrued without the associated residency benefits of the scheme.

COMPARISONS

The evaluation provides a high-level examination of a number of comparative international schemes including in the US, UK, Portugal and Australia, which all offer some form of improved immigration permission in return for foreign direct investment. Those schemes differ in various factors, most notably in relation to the level of residency offered, with some offering conditional residency (as in Ireland’s case), and others going as far as to offer permanent residency or full citizenship.

RISKS

An IGEES survey of agents who promote the IIP, flagged that the timeframe to process applications has significantly increased due to demand causing some dissatisfaction, and making the case for additional resourcing.

PERFORMANCE OF THE IIP

- » Considerable increase in applications as the profile of the scheme gathers pace (from 66 applicants in 2015 to 329 in 2016)
- » €209,650,000 invested between 2012 and early 2017
- » A “*wide regional dimension*” to investments, with Dublin accounting for only 14% of the projects
- » 90% of the total applicants are from China
- » Investments well targeted and unlikely to have been made without the IIP

This document contains a general summary of developments and is not a complete or definitive statement of the law. Specific legal advice should be obtained where appropriate.

IGEES also identified potential risks in crowding out of indigenous investment and inflationary pressures in certain areas, but conclude that due to the size of the programme those issues remain minimal in Ireland. Oversight and procedures can be implemented to manage these risks as the programme expands.

RECOMMENDATIONS

A number of recommendations are made on how to maximise the benefit of the IIP to the Irish economy while prioritising the integrity of the immigration system. These include;

» examining the position of the

programme within governmental policy and investment priorities, ensuring a “Whole of Government” approach;

- » considering the outsourcing of certain functions in relation to validation of business plans and incorporating a higher level of specialist skills that may not be available to the evaluation committee;
- » addressing potential resource issues that will arise in the future due to increased demand and introducing new procedures to improve customer service and reduce delays; and

» maintaining a focus on data collection in terms of both the supported projects and the associated investors.

Importantly, IGEES highlight a need to reassess the programme’s original focus on employment (circa 1,100 sustained jobs are attributable to the scheme). As the economy recovers the volume of direct employment may no longer be as relevant to the approval of investment; broader economic contributions and impacts must also be considered.

The *Interim Evaluation of the Immigrant Investor Programme* may be read [here](#).

KEY CONTACTS



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