

## NEWS REVIEW

### THE RUSSIAN FEDERAL GOVERNMENT HAS APPROVED THE PROCEDURE FOR THE ISSUANCE OF GOLDEN VISAS

According to Federal Legal Act no. 357-FZ of 14 July 2022, foreign investors and their family may obtain a residence permit beginning on 11 January 2023, without having obtained a prior temporary residence permit - provided they have invested in Russia's economy. A residence permit obtained by an investor also entitles its holder to enter Russia visa-free as well as to carry on business in any Russian region.

The earlier simplified procedure for obtaining a residence permit had only been available to certain categories of CIS member-state nationals as well as to participants in the Russian federal resettlement programmes, refugees, and professionals employed in certain fields or accredited to perform certain duties.

Government Resolution no. 2573 of 31 December 2022 has granted foreign investors the entitlement to obtain the so-called «Golden Visas» in case they satisfy any one of the following conditions:

- To have invested at least RUB 15 million in any socially important project in any of the constituent territories of the Russian Federation during 3 years prior to the date of application for the visa,
- To have invested at least RUB 30 million in a Russian company which has carried on active business during 3 years prior to the date of the application and has paid at least RUB 6 million in taxes and other statutory charges to the treasury of the Russian Federation,
- To have established and subsequently owned a company that has carried on active business in Russia for at least 2 years and has paid at least RUB 4 million in taxes and statutory charges to the treasury of the Russian Federation,
- To have acquired and owned real estate during one year prior to the date of the application for a residence permit. The entitling real estate may be any unencumbered real estate with any intended purpose, which has been acquired during its construction or within two years of its commissioning, and whose total cadastral value is:
  - at least RUB 50 million where the real estate concerned is located in Moscow,
  - at least RUB 20 million where the real estate concerned is located in the Far East regions of Russia,
  - at least RUB 25 million where the real estate concerned is located in any other constituent territory of the Russian Federation.

It should be emphasised here that the entitling value of the investment projects is quite high, as compared to similar programmes that have been in place in Europe since some years. For example, Malta's investment programme offers residence permits subject to the purchase of government bonds worth at least EUR 250,000 and lease of real estate located in Malta and worth at least EUR 10,000. Greece issues its «Golden Visas» to those who have invested at least EUR 250,000 in real estate located in that country, and the minimum investment required for obtaining a residence permit for Turkey with the entitlement to subsequent naturalisation is USD 50,000.

It should be pointed out, however, that the European Commission has found that the residence permit investment programmes of the European states may have adverse and possibly dangerous consequences and announced the launch of a legislative process to make the procedures for the issuance of resident permits more complex for applicants from any country. «Golden Visa» projects will be discontinued beginning in 2025 by virtue of that decision. Moreover, some states have discontinued their programmes ahead of the schedule: the UK and Ireland changed their procedures for the issuance of the relevant approvals last year; Portugal discontinued issuing its «Golden Visas» beginning on 16 March 2023. It should also be kept in mind that some countries have been refusing to issue residence permits to investors from Russia or to persons associated with sanctioned activities since 2022.

Although the relevant «Golden Visa» programmes have been launched during the period of economic instability, the project authors expect high interest in the arrangements to be issued and to receive Russian «Golden Visas» on the part of investors from the EAEU, the CIS, Middle East and Asia.