

Does the UK need to replace axed Tier 1 Investor Visa?

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Programme closed in February 2022 following Home Office 'security concerns'



With the closure of the Investor visa earlier this year, how can clients navigate the gap in the immigration system that it left behind, writes Charlie Fowler, senior associate at Collyer Bristow.

The Investor visa was a popular route for ultra- and high-net-worth individuals to come to the UK.

By investing at least £2m (\$2.36m, €2.36m) in qualifying UK businesses, an individual could obtain a UK visa for them and their dependants, that is, their spouse/civil partner and minor children, with a largely free rein to work or start a business in the UK, or simply to live here without doing either.

After five years the family could qualify for indefinite residence, known as indefinite leave to remain (ILR), or sooner if the level of investment were £5m or £10m instead.

What happened?

Narrowly before Russia's incursion into Ukraine, the UK government [abolished the Investor visa for new applicants](#).

Citing "security concerns", and seemingly motivated by a perceived money laundering risk from Russian and Chinese applicants, the Home Office announced a closure of the route with immediate effect at 4pm on 17 February 2022.

Any application for entry clearance made after that time would simply not be considered.

Those already in the UK with an Investor visa are still able to apply for extensions until 17 February 2026 and to apply for ILR until 17 February 2028. However, the gate has been shut behind them.

Simply put, there is no longer any visa which is related to the passive holding of UK investments. However, there are still options for economically-active individuals and businesspeople, depending on their circumstances.

Innovator visa

This route is designed for entrepreneurs seeking to set up an innovative business in the UK. The applicant must have a genuinely innovative business plan, different from anything else on the market, and must obtain an endorsement from an approved body before their application is submitted.

They must also have at least £50,000 available to invest in their new business, but the innovator and their dependants can be eligible for ILR after just three years. There is a similar route for younger entrepreneurs called the Start-up visa, but this does not lead to ILR.

When the government closed the Investor visa in February, it promised to make improvements to the Innovator visa to allow more investors into the UK.

However, the requirement for applicants to have a business that is different from anything else on the domestic market sets the bar high. Still, this could be an option for experienced entrepreneurs, and the hope is that further changes will allow more entrepreneurs to come to the UK.

Skilled Worker visa

To be a viable option for overseas applicants, several steps must be completed. Firstly, they must enlist the assistance of someone based in the UK to set up a company here (although thankfully without any requirement for innovation). Then, the company must apply for a sponsor licence from the Home Office, which allows it to employ workers from overseas.

Finally, the company must offer a position to the overseas applicant (for example a chief executive role), who only at that point can submit their visa application.

This is a fairly convoluted process with relatively hefty upfront costs. It requires the involvement of someone in the UK to act as director or senior employee of the UK company (and to take certain steps such as obtaining employer's liability insurance and opening a corporate bank account), before even the sponsor licence application can be made. Only then can a job offer be made to the overseas applicant, who can finally submit their visa application.

The applicant must be paid a minimum salary for their role, £67,300 in the case of a chief executive, and, as with the Innovator visa, they must demonstrate a sufficient knowledge of English. Still, after five years in the UK, they, and their dependants, can apply for ILR, and the fact that there is no innovation requirement for the business could make this route more attractive than the Innovator visa.

Is the Investor visa gone forever?

There has been no indication from the government that a revival is imminent. Neither Tory leadership candidate has spoken about reinstatement, and a Labour government is unlikely to champion its reintroduction.

However, the hope is that a future administration will restore the Investor visa in some form. If the government is fearful of money laundering or other abuse from some quarters, then including

stricter rules to tackle it should not deter the many legitimate and law-abiding applicants who would otherwise apply.

A blanket ban seems foolhardy; better to introduce smarter requirements that seek to prevent abuse while simultaneously letting the right ones in.

This article was written for International Adviser by Charlie Fowler, senior associate at Collyer Bristow.