



By: *Tomorrow's Affairs Staff*

What do you get, and what don't you get, for Trump's 5-million-dollar gold visa?



As early as next week, the gold visa programme, which is intended for wealthy people who want to obtain permission to stay and work in the US, could be available to apply for; at least that's what US Secretary of Commerce Howard Lutnick has announced.

But even when this happens and wealthy people around the world are given the opportunity to obtain a US green card for USD 5 million, it will not be entirely clear how many benefits they could achieve and how many risks for the US lie behind the new project of Donald Trump's administration.

In his speech to the US Congress last week, the US President **confirmed** that he intends to introduce privileges to reside and work in the US for anyone in the world who pays USD 5 million.

"It's going to be a route to citizenship, and wealthy people will be coming into our country by buying this card, they'll be wealthy, and they'll be successful and they'll be spending a lot of money and paying a lot of taxes and employing a lot of people," said Trump at the end of February, announcing the ambitious project of the new gold card.

How competitive is the USA?

Acquiring the privileges of permanent residence or even citizenship through investment is a practice that exists in about 100 countries in different forms and with different effects.

Trump's project is, first of all, unique in terms of the threshold that candidates have to reach. It is many times higher than in most countries that practise a similar system for attracting capital.

The US president believes that the rather high amount of USD 5 million will not be an obstacle to a great deal of interest in his gold card.

If you sell 10 million of the cards, that's a total of \$50 trillion. We have \$35 trillion in debt.- Donald Trump

"At \$5 million each, selling 1 million gold cards could raise \$5 trillion. And if you sell 10 million of the cards, that's a total of \$50 trillion. We have \$35 trillion in debt. That'll be nice, so we'll see," said President Trump.

However, his optimism clashes with the fact that the previous, similar US programme, which has been in existence since 1990, did not produce very good results, although the financial threshold for participation was much lower.

Legal restrictions

At the same time as introducing the 5-million-dollar gold card, the Trump administration is planning to abolish the EB-5 visa **programme**, which allowed applicants to obtain a green card if they invested between USD 800,000 and USD 1 million and created at least ten jobs for American citizens.

And there has not been excessive interest in this far less financially demanding programme. In recent years, there have been around 8,000 applicants, which is less than the legal limit of 10,000 visas per year.

The abolition of the EB-5 programme will not be easy from a legal perspective

The abolition of the EB-5 programme, which Secretary Lutnick also addressed, will not be easy from a legal perspective either, as the US Congress will also have to declare on its abolition, as it has made a decision on its introduction.

Although President Trump is convinced that the President's decision alone is sufficient for the introduction of the gold card, there are

interpretations that he still has to obtain the approval of the US Congress, which is the only body that can decide on changes to the immigration regime.

Behind the expected impact of Trump's new initiative lie far greater challenges and unknowns. Firstly, the very high threshold for acquiring permanent US residence of USD 5 million suggests that not many people will be interested in this option, regardless of Trump's expectation of millions of applicants.

Investment or budget support

As this is aimed at wealthy businesspeople, the US faces very strong competition in this respect from other, equally attractive investment destinations for which there are much lower criteria.

In many European countries, the **threshold** for acquiring residence based on investment is between EUR 250,000 (Portugal, Italy, Hungary) and EUR 500,000 (Luxembourg, Spain).

Moreover, wealthy individuals may believe that they can obtain citizenship in Malta, a member of the EU, for significantly less money, such as EUR 1 million, thereby opening up access to the vast European market.

Where the US government will channel each USD 5 million application—whether to reduce the budget deficit, or for investment

A potential major problem with Trump's visas for global millionaires could be the question of where the US government will channel each USD 5 million application—whether to reduce the budget deficit, as Trump has proposed, or for investment.

"Part of what makes wealthy people wealthy is that they are reluctant to simply give money away. A \$5 million investment, however, will

change the logic," **wrote** Kristin Surak, professor at the London School of Economics and author of "The Golden Passport: Global Mobility for Millionaires."

Bait for Russian oligarchs

President Trump showed little concern about fears that the main customers of his new programme could be Russian oligarchs, money launderers, and similar millionaires on the other side of the law.



From the perspective of those considering a new Trump visa, the motives for doing business in the US are not as strong as perhaps easing the path to US citizenship

"Possibly," Trump responded to a reporter's question about whether Russian oligarchs could also qualify for the new visa, although he noted that all applicants "will have to go through vetting" so that the US can be sure that "wonderful world-class global citizens" are coming.

But from the perspective of those considering a new Trump visa, the motives for doing business in the US are not as strong as perhaps easing the path to US citizenship.

Therefore, the most important test for Trump's new project will be whether the USD 5 million ticket really boosts the economy or if it's just an expensive tax for America to harbour millionaires from all over the world.