

The logo features a central white circle containing a faint world map. This circle is surrounded by several overlapping, semi-transparent geometric shapes in various colors including blue, green, brown, and purple. The text is centered within the white circle.

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QNI Quality of
Nationality
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EXPERT COMMENTARY

Citizenship-by-Investment

By: Christian H. Kälin

Citizenship-by-Investment



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The acquisition of citizenship by investment is an accelerating global trend. Rather than the lengthy periods of residence, language tests, and other requirements that are typically part of naturalization procedures, countries are increasingly offering foreign individuals the option of becoming citizens in exchange for a significant direct contribution to the country. A few countries have permitted citizenship-by-investment for many years, including Austria and St. Kitts and Nevis, and in recent years many others have started to introduce such options. The following looks at how these countries are positioned on the QNI.

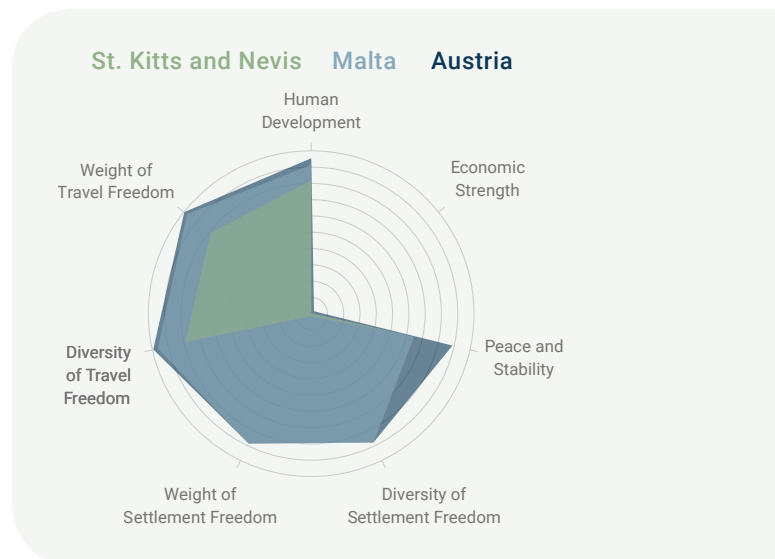


Despite dropping slightly in value due to the improved reflection of the rules of full access to associated former colonies by the holders of some European passports, the European nationalities – in particular, the Austrian, Cypriot, and Maltese nationalities – again ranked very well, both on the overall ranking and on the very relevant Settlement Freedom ranking. Indeed, Malta and Cyprus even climbed positions on the overall QNI. The Austrian nationality has been in the top 10 of the General Ranking every year (ranking 10th in 2017 and scoring 78.9% as an Extremely High Quality nationality), while the Maltese and Cypriot nationalities are among the top three Very High Quality nationalities this year (scoring 74.9% and 73.3% respectively on the General Ranking). This is no surprise, as EU citizenship is exceptionally strong: it gives the right of free movement and settlement in one of the world's wealthiest regions and largest economic areas, home to over 500 million people. Accordingly, these three countries' citizenship programs also have the highest requirements: in Austria, no specific amount is set in law or by regulation, but current practice requires several million euros in the form of a donation for public purposes or investments that create employment. Malta requires a donation to its National Development and Social Fund of at least EUR 650,000, plus investments in government bonds of EUR 150,000 and real estate of EUR 350,000 or the rental of an equivalent property for at least five years. The least expensive option in Europe is currently Cyprus, which requires a recoverable real estate investment of EUR 2 million.



Five Caribbean countries were running citizenship-by-investment programs in 2017: Antigua and Barbuda, the Commonwealth of Dominica, Grenada, St. Lucia, and St. Kitts and Nevis. They are all part of the Caribbean Community (CARICOM), which provides (conditional) mutual freedom of settlement.¹ Following their significant improvement in 2016, which was due to their Schengen visa liberalization, the nationalities of the Commonwealth of Dominica and Grenada have continued to slightly improve in value in 2017. Thus, the nationality of the Commonwealth of Dominica scored 38.5% on the 2017 General Ranking, 0.3% more than in the previous year, and the Grenadian nationality scored 39.4%, 0.5% more than in the previous year. The nationality of St. Kitts and Nevis did not change in value, scoring 41.5% in 2017. The St. Lucian nationality scored 39.4%, 0.2% less than in the previous year. The nationality of Antigua and Barbuda scored 41.9%, 1% less than in the previous year.

A Caribbean passport can be acquired through contributions to national development funds or national treasuries (ranging from USD 100,000 to USD 250,000 for a single applicant, and more if dependents are included) or through real estate acquisition (starting at USD 200,000), and is thus one of the best options in the world in terms of 'value for money'. The nationalities of other countries with citizenship-by-investment provisions in their laws, such as Montenegro (High Quality nationality, ranked 68th) and the Seychelles (High Quality nationality, ranked 49th), are also relatively well positioned in the QNI, rising one place and six places respectively on the 2017 General Ranking compared to 2016. In Antigua and Barbuda, the Commonwealth of Dominica, and St. Lucia, single applicants can acquire citizenship for USD 100,000, making these currently the most affordable nationalities. St. Kitts and Nevis has temporarily (until 30 March 2018) lowered its financial requirements, allowing for citizenship-by-investment through a non-refundable donation of USD 150,000 to the country's Hurricane Relief Fund. In Grenada, applicants can acquire citizenship for a minimum of USD 150,000 for single applicants and USD 200,000 for families.



¹ As a CARICOM citizen, you need a skills certificate along with your passport to avail yourself of freedom of movement. Nationality alone does not qualify you.

Henley & Partners Henley & Partners is the global leader in residence and citizenship planning. Each year, hundreds of wealthy individuals, families and their advisors rely on our expertise and experience in this area. Our highly qualified professionals work together as one team in over 30 offices worldwide.

The concept of residence and citizenship planning was created by Henley & Partners in the 1990s. As globalization has expanded, residence and citizenship have become topics of significant interest among the increasing number of internationally mobile entrepreneurs and investors whom we proudly serve every day.

The firm also runs a leading government advisory practice which has raised more than USD 7 billion in foreign direct investment. We have been involved in strategic consulting and the design, set-up and operation of the world's most successful residence and citizenship programs.

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