Henley & Partners

Global Residence and Citizenship Programs 2017–2018

The Definitive Comparison of the Leading Investment Migration Programs

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Global Residence and Citizenship Programs 2017–2018

Incorporating

The Global Residence Program Index (GRPI)
The Global Citizenship Program Index (GCPI)

Produced by Henley & Partners in collaboration with an independent panel of experts

Liam Bailey, Global Head of Residential Research, Knight Frank, London/UK

Dr. Philippe Forêt, SAGUF Environmental Humanities Program Co-director
Swiss Federal Institute of Technology, Zurich/Switzerland

Nadine Goldfoot, Partner, Fragomen LLP, London/UK

Prof. Dr. Dimitry Kochenov, Chair in EU Constitutional Law, University of Groningen, The Netherlands
Chairman of the Board, Investment Migration Council, Geneva/Switzerland

Dr. Robert W. Kuipers, Partner, Reward/Human Resource Services; and
Stuart Jones, Senior Manager, People and Organisation Consulting, PwC, Zurich/Switzerland

Damien Martinez, Former Director, Government, Risk and Compliance Western Europe
Thomson Reuters, Paris/France

Irene Mia, Regional Director, Latin America and the Caribbean, Economist Intelligence Unit, London/UK

Marnin J. Michaels, Partner, Baker McKenzie, Zurich/Switzerland

Kamal Rahman, Head of Immigration, Mishcon de Reya Solicitors, London/UK

Dr. Marcel Widrig, Partner, PwC and Global Private Wealth Leader, Zurich/Switzerland

Special contributions by

Dr. José Caballero, Senior Economist, IMD World Competitiveness Center, Lausanne/Switzerland

Prof. Dr. Yossi Harpaz, Assistant Professor of Sociology, Tel Aviv University, Tel Aviv/Israel

Prof. Dr. Dimitry Kochenov, Chair in EU Constitutional Law, University of Groningen, The Netherlands
Chairman of the Board, Investment Migration Council, Geneva/Switzerland

Damien Martinez, Former Director, Government, Risk and Compliance Western Europe
Thomson Reuters, Paris/France

Dr. Juerg Steffen, Chief Operating Officer, Henley & Partners, Vienna/Austria

Madeleine Sumption, Director, Migration Observatory, University of Oxford, Oxford/UK

Prof. Dr. Kristin Surak, Associate Professor of Politics, SOAS, University of London, London/UK

Dr. Marcel Widrig, Partner, PwC and Global Private Wealth Leader, Zurich/Switzerland

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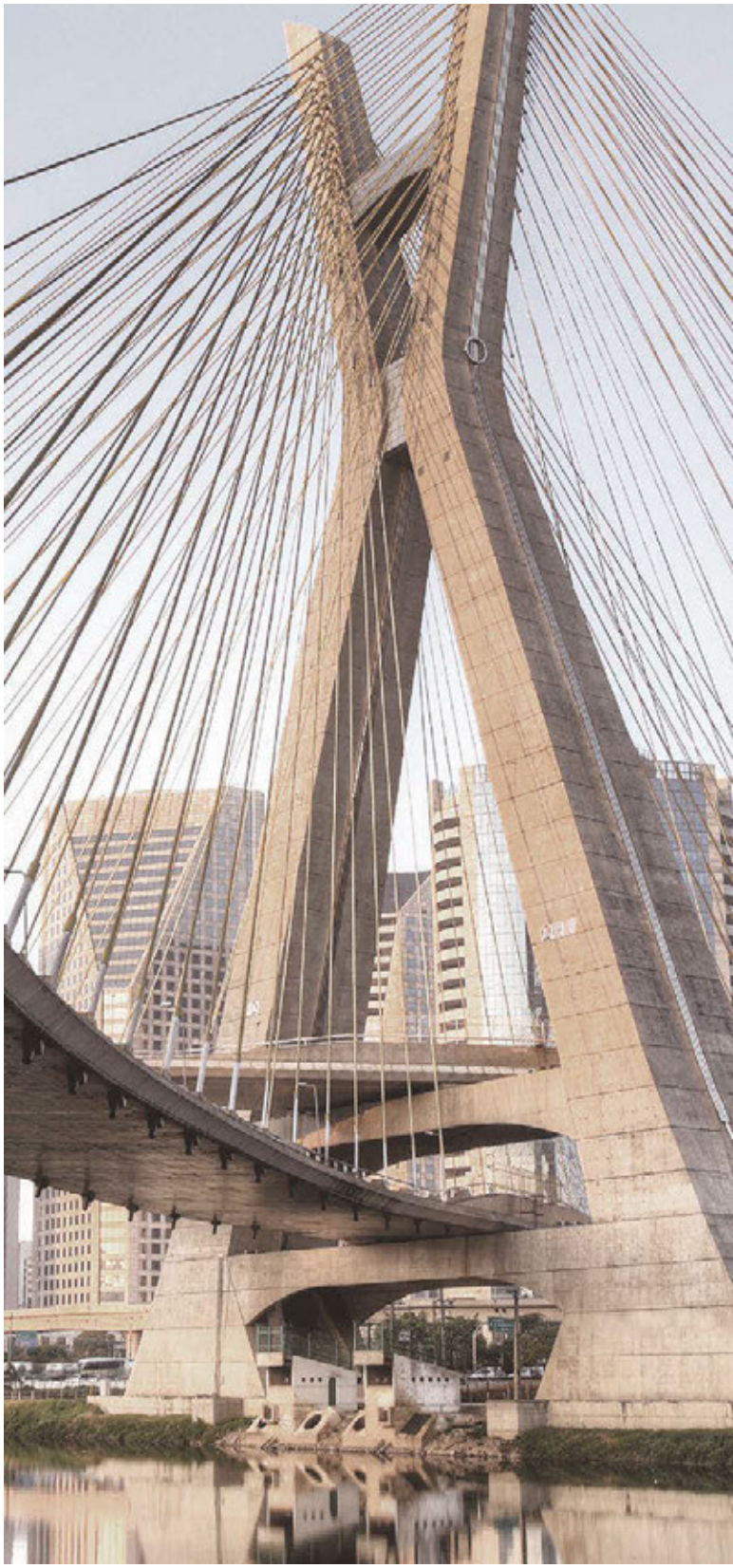


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About Henley & Partners

The production of this report has been made possible by the generous sponsorship of Henley & Partners — the global leader in residence and citizenship planning.

The concept of residence and citizenship planning was created by Henley & Partners in the 1990s, at a time when most international lawyers and wealth planning professionals did not consider the subject to be of much relevance.

Over the years, Henley & Partners has emerged as the world's leading firm specializing in and focused on this particular area of practice. International residence and citizenship planning has itself become a major topic among the increasing number of internationally mobile entrepreneurs, as well as many wealthy individuals and families who are interested in looking at alternative residence and citizenship solutions.

Lawyers such as Dr. Christian H. Kälin, the firm's Chairman, as well as many others, developed the discipline together with an esteemed group of specialists who now almost all work at Henley & Partners. Today, individual clients as well as advisors and law firms worldwide rely on Henley & Partners for specialized advice and assistance in this delicate area, where its expertise and experience are second to none.

The firm's renowned Residence and Citizenship Practice Group advises private clients and their close advisors on investment migration solutions. Henley & Partners is in contact with the government authorities of all relevant countries and constantly monitors the worldwide situation. The firm also assists in designing, implementing, and operating investment migration programs and gives relevant advice to governments.

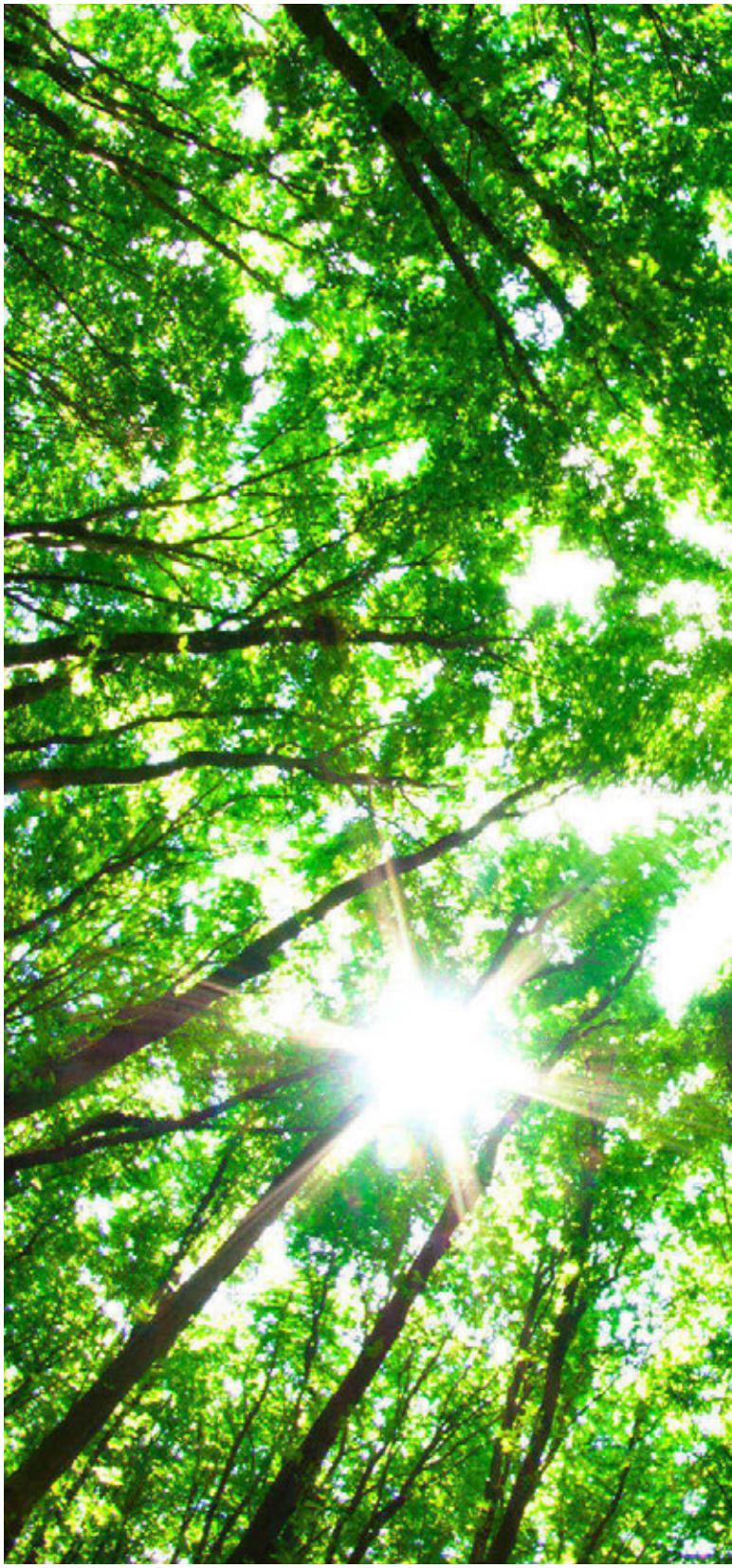
Three of the most recent mandates are from Thailand, Grenada, and Malta. In Grenada, Henley & Partners was mandated to enhance and revitalize the country's citizenship-by-investment program. In Malta, Henley & Partners won a public call for services and was awarded a Public Services Concession for the design, implementation and international promotion of the Malta Individual Investor Program.

Besides advising clients on the possibilities of acquiring resident status, permanent residence- and citizenship-by-investment, members of the Practice Group advise on the (re-)acquisition of citizenship based on ancestry as well as on residence planning for private clients with a view to post-immigration citizenship acquisition.

Residence planning for private clients involves finding solutions for individuals and families who move internationally, own property in different countries and who often have complex international situations and requirements.

For many years, Henley & Partners has organized the Global Residence and Citizenship Conference, which is the most important such event in the world. It is held annually in November in a different location each year. Please visit *henleyglobal.com/events* to view the program of the next conference and for early registration options.

Philanthropy and Social Responsibility



At Henley & Partners, corporate social responsibility is expressed through the ethics and integrity of its business practice, actively engaged employees, a tradition of discreet and generous philanthropy, and a strong commitment to migration issues.

We are proud of the many worthy causes we have supported over the years, including numerous environmental, education and humanitarian projects. Our firm serves clients who enjoy the privilege of choosing where they want to reside in the world and even which citizenship to hold. This is why we have committed ourselves to provide support to those who do not have such choice: those who are forced to flee their homes and restart their lives in another country. Today, the support of refugees is the main focus of Henley & Partners' social responsibility. We want our philanthropic impact to continue to match the growth, innovation and pioneering success of our firm.

The escalation of forced migration around the world requires a greater effort and contribution from us all. There is a need for us to contribute not just from within our firm, but also to leverage our wider network of successful and talented entrepreneurs, business leaders, international celebrities, and the wealthy and generous families whom we have the privilege to serve every day.

Henley & Partners' commitment to the future is through the Andan Foundation, which gathers philanthropic contributions from clients and partners, as well as building a powerful community of philanthropists, creative thinkers, solution-driven businesspeople, researchers and thought leaders with the ability to make a significant and long-term difference to some of the world's most pressing humanitarian and developmental challenges.

We envisage a world that provides all people with the opportunity to live in dignity, security and harmony in their country of birth or in their country of choice. A world where social and business communities, international organizations, and states work together to empower both families forced to leave their homes, and their hosting communities, to build a new, mutually beneficial way of living.

The survival and safety of our society depends on how well we can address global issues together. As the leading global residence and citizenship advisory firm, we are committed to playing our part to create a powerful nexus, raise awareness, mobilize support and gather resources for innovative solutions and groundbreaking projects. Together with our staff, our clients and our partners, we are making a difference.

If you are interested in working with us, if you have resources, passion, talents, and ideas to share, we would like to hear from you at *philanthropy@henleyglobal.com*

About this Report

The *Global Residence and Citizenship Programs* report provides the most comprehensive, systematic analysis and benchmarking of the world's leading residence- and citizenship-by-investment options.

Henley & Partners, together with a distinguished panel of independent experts, including immigration and citizenship lawyers, economists, country risk experts, and academic researchers, has created the Global Residence Program Index (GRPI) and the Global Citizenship Program Index (GCPI) as part of the report. These two indexes analyze a broad range of factors to produce an overall global view and ranking of the different residence and citizenship programs on offer.

The indexes are highly relevant not only to all those interested in alternative residence or citizenship options, but also industry professionals, private client advisors and others with an interest in the subject, as well as governments.

The report, updated annually, analyzes the following factors:

Global Residence Program Index

- Reputation
- Quality of Life
- Tax
- Visa-free Access
- Processing Time and Quality of Processing
- Compliance
- Investment Requirements
- Total Costs
- Time to Citizenship
- Citizenship Requirements

Global Citizenship Program Index

- Reputation
- Quality of Life
- Visa-free Access
- Processing Time and Quality of Processing
- Compliance
- Investment Requirements
- Residence Requirements
- Relocation Flexibility
- Physical Visit Requirements
- Transparency

The Global Citizenship Program Index – 2017 Report

Figure 25. The total score for Malta on the GCPI is 73/100, ranking it 1st out of 8 programs

78

Citizenship Program Malta

1st | Malta

Malta is an island in the center of the Mediterranean, boasting an excellent reputation with a splendid climate, friendly people, a low crime rate, and a great quality of life. An attractive place to live or to own a second home, it is strategically located with excellent air links.

The Malta Individual Investor Program (MIIP) is a modern citizenship-by-investment program designed, implemented and globally promoted by Henley & Partners for the Government of Malta under a Public Services Concession. It is targeted at high net worth individuals and families worldwide, and it is considered the world's most advanced and most exclusive citizenship-by-investment program.

The MIIP requires an applicant to make a non-refundable economic contribution to the National Development and Social Fund of EUR 650,000. In exchange, and subject to a very thorough application procedure including detailed due diligence and background verification checks, the applicants and their families are granted full EU citizenship.

Additionally, all of the following financial requirements and other obligations must be met:

- **Property** – either the purchase of a residential property in Malta with a price of at least EUR 350,000, which must be held for five years, or the lease of a residential property with a rental of at least EUR 16,000 per annum, also held for five years
- **Participation in approved financial instruments** – EUR 150,000 in a prescribed financial instrument, the details of which are published from time to time by the Identity Malta Agency, which must be held for five years
- **Insurance** – the holding of a valid global health insurance policy with medical expense cover amounting to at least EUR 50,000 per family member
- **Residence** – legal residence in Malta for one year prior to application for citizenship, under the MIIP, and a minimum physical presence of 14 days is required
- **Oath of Allegiance** – all applicants aged 18 years and over are obliged to visit Malta in person to undertake the Oath of Allegiance

Compliance and due diligence standards are considered to be the world's strictest, aiming to ensure that only the most respectable of applicants are admitted. Residence requirements demand that an applicant is a legal resident in Malta for one year prior to applying for citizenship under the MIIP. Although the process for obtaining citizenship in Malta is very strict and rigorous, it is also open and straightforward with no additional requirements to be met, yielding a high transparency score on the GCPI.

Visa-free Travel	167 countries
Residence Required	1 year's legal residence and minimum physical presence of 14 days
Nature of Contribution	Investments, real estate, insurance, and residence
Minimum Contribution	EUR 880,000
Time to Citizenship	12 months

Maltese, English | EUR | 415,196* | USD16.32 billion*

*2016 estimated (source: The World Bank, 2017)

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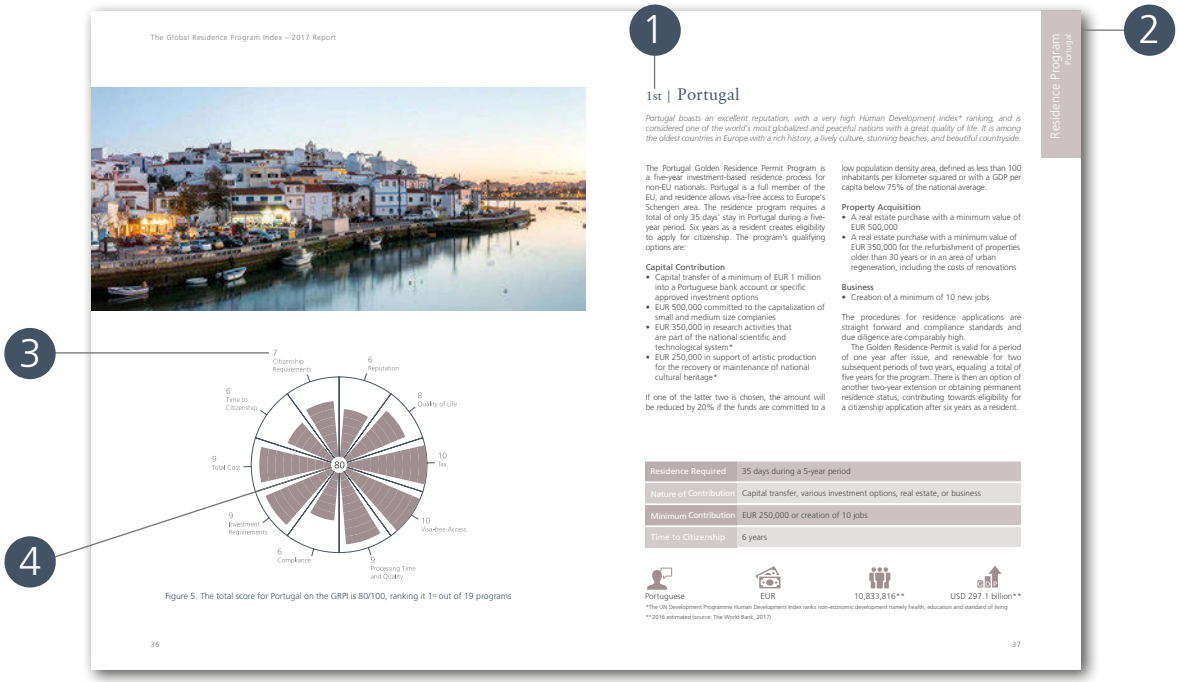

The Global Residence Program Index – 2017 Report

Figure 5. The total score for Portugal on the GRPI is 80/100, ranking it 1st out of 19 programs

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Residence Program Portugal

1st | Portugal

Portugal boasts an excellent reputation, with a very high Human Development Index ranking, and is considered one of the world's most globalized and peaceful nations with a great quality of life. It is among the oldest countries in Europe with a rich history, a lively culture, stunning beaches, and beautiful countryside.*

The Portugal Golden Residence Permit Program is a five-year investment-based residence process for non-EU nationals. Portugal is a full member of the EU, and residence allows visa-free access to Europe's Schengen area. The residence program requires a total of only 35 days' stay in Portugal during a five-year period. Six years as a resident creates eligibility to apply for citizenship. The program's qualifying options are:

Capital Contribution

- Capital transfer of a minimum of EUR 1 million into a Portuguese bank account or specific approved investment options
- EUR 500,000 committed to the capitalization of small and medium size companies
- EUR 350,000 in research activities that are part of the national scientific and technological system*
- EUR 250,000 in support of artistic production for the recovery or maintenance of national cultural heritage*

If one of the latter two is chosen, the amount will be reduced by 20% if the funds are committed to a low population density area, defined as less than 100 inhabitants per kilometer squared or with a GDP per capita below 75% of the national average.

Property Acquisition

- A real estate purchase with a minimum value of EUR 500,000
- A real estate purchase with a minimum value of EUR 350,000 for the refurbishment of properties older than 30 years or in an area of urban regeneration, including the costs of renovations

Business

- Creation of a minimum of 10 new jobs

The procedures for residence applications are straight forward and compliance standards and due diligence are comparably high.

The Golden Residence Permit is valid for a period of one year after issue, and renewable for two subsequent periods of two years, equaling a total of five years for the program. There is then an option of another two-year extension or obtaining permanent residence status, contributing towards eligibility for a citizenship application after six years as a resident.

Residence Required	35 days during a 5-year period
Nature of Contribution	Capital transfer, various investment options, real estate, or business
Minimum Contribution	EUR 250,000 or creation of 10 jobs
Time to Citizenship	6 years

Portuguese | EUR | 10,833,816** | USD 297.1 billion**

*The UN Development Programme Human Development Index ranks non-economic development namely health, education and standard of living

**2016 estimated (source: The World Bank, 2017)

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Key

1. Country Rank within GRPI or GCPI
2. GRPI or GCPI
3. Individual Factor Scores
4. Total Score

Introduction — A Glimpse of Global Trends

Prof. Dr. Dimitry Kochenov
Chair in EU Constitutional Law
University of Groningen, The Netherlands

The third edition of this report and the two indexes remain as incisive and relevant as the first. While the number of residence and citizenship programs on offer around the world has been steeply on the rise in recent years, professional comparative analyzes of such programs, let alone their reliable rankings, are rare. It goes without saying that comparisons illuminate, as they empower informed choices.

The key attraction of the two indexes presented in this report is that they are designed with the investor in mind, since rankings, for obvious reasons, are bound to be organized differently depending on the perspective chosen: both the benefits of the states offering residence- and citizenship-by-investment programs[1] and the interests of the investors themselves are perfectly legitimate starting points. Yet, while states usually benefit from great resources in their program design, as well as from the scrutiny of the proposals in the context of the political process, individual investors cannot boast the same level of empowerment and are in need of clear and reliable advice. Opting for placing an emphasis on the person, rather than on the state, Henley & Partners has thus made the right choice: this is precisely the most needed and also the most justified starting point to adopt in approaching the evaluation and ranking of residence- and citizenship-by-investment programs.

The fact that a need has arisen to rank these programs testifies to the changing global understanding of citizenship and residence that the world is currently going through. Crucially, the global ascent of residence- and citizenship-by-investment is not the cause, but a consequence — as Prof. Spiro also underlined[2] — of the changing perception of the core of state power and the relationship between the individual and the state: in the majority of countries in the 'Western' world, we, the citizens, are being freed from the 'suffocating bonds'. States, from a presumed and unalterable given – the role they used to play in human lives – become an object of choice and contestation.

This is what I would like to present a glimpse of here: the rise of the programs in question is far from haphazard and is backed by clear legal-historical roots, which are connected — in the most direct way — with the contemporary legal-philosophical understanding of the nature of the state, of human worth, and the idea of liberty. In short, a quasi-sacred nature of the state as well as the idea of citizenship and residence as the two primary ways to establish the ties between an individual and a state authority came to be naturally contested towards the end of the 20th century. This process, which is ongoing, triggered a global rethinking of the essential meaning of the individual-state connection: the 'inevitable lightening of citizenship'[3].

Our world is a reflection of ideas[4], and the idea of the state is, potentially, one of the most repugnant of them all[5], despite it being so much a part of our reality that, as you would expect, it is constantly taken for granted. At the origin of states and nations lies "creating or elaborating an 'ideological' myth of origins and descent"[6]. In *Mythologies*, Roland Barthes explains that myths

1 The perspective adopted by Madeleine Sumption in her chapter in this report, 'The Growing Market for Citizenship and Residence: A Policy Perspective', 14

2 P Spiro, 'Cash for passports and the end of citizenship' (2014) 1 EUI RSCAS in A Shachar and R Bauböck (eds) (2014) 9

3 C Joppke, 'The inevitable lightening of citizenship' (2010) 51 European Journal of Sociology 9

4 PL Berger and T Luckmann, *The Social Construction of Reality: A Treatise in the Sociology of Knowledge* (Ancor 1967)

5 P Allott, *Eunomia* (OUP 1990)

6 AD Smith, *The Ethnic Origin of Nations* (Basil Blackwell 1986)

are not important for the story they tell, but for what they do[7]. The identity side of citizenship works in exactly the same way. Although the myth itself is always absurd ("nationality is to a greater or lesser degree a manufactured item"[8] — *l'oubli et l'erreur historique*[9]), the identity's perceived true nature is not thereby undermined, ensuring that people are ready to sacrifice it all, *mourir pour la patrie*[10]. While states and nations contribute significantly to human social organization, the ideological stances about their eventual 'inherent good' should be dismissed outright: a state or a nation cannot legitimately be approached as possessing any sacred value. This triggers numerous important questions, especially in those contexts when the willingness to die for the state abounds. "If national allegiances can be based on false beliefs, how is it possible for a purportedly rational institution such as morality to accommodate them?"[11].

The same applies to citizenship. Unquestionably a truth created by law[12], being a citizen depends, to a lawyer at least[13], on one and only one thing: the possession of the status of citizenship in accordance with the law of a particular jurisdiction, to which certain rights can be attached. Just like 'nationality' or 'state', 'citizenship' is a notion with no ethical content, notwithstanding the constant ideological spectacle surrounding it[14]. The core element of citizenship is exclusion[15] and the grounds for inclusion are as variable as they are random[16]. There is no objective truth in who should belong and who should not — any principle accepted in a particular society can necessarily be criticized or overturned.

The same largely applies to the legal notion of residence, which knows many forms and is not to be confused with presence in the territory. Residence is by definition elusive and, like citizenship, comes with a thick bundle of popular assumptions, as well as legally consequential duties and entitlements. These can be held by an individual even in the legal contexts where residence and presence do not overlap.

Residence and especially citizenship, are thus profoundly problematic concepts. These problems, once realized and set against the background of the growing importance of tolerance and human rights, as well as the general rise in world migration, which increases the exposure of people and groups with radically diverging world views to each other, result in the remarkable erosion of citizenship's substantive content, which can be observed over

7 A Lavers (trs), 'In a mythical system causality is artificial, false; but it creeps, so to speak through the back door of Nature' in R Barthes, *Mythologies* (Strauss & Giroux 1972)

8 D Miller, 'The ethical significance of nationality' (1988) 98 Ethics 657

9 'Historical forgetfulness and wrongs' in E Renan, *Qu'est-ce qu'une nation? et autres essais politiques* (first published 1882, Agora 1992)

10 'To die for the motherland'; For more on the patriotic sacrifice see M Walzer, 'Civility and Civic Virtue in Contemporary America' (1974) 41 Sociological Research 4

11 D Miller, op cit., 648; C Chwaszcza, 'The unity of people, and immigration in liberal theory' (2009) 13 Citizenship Studies 451

12 JM Balkin, 'The proliferation of legal truth' (2003) 26 Harvard Journal of Law and Public Policy 5

13 E Isin, 'Citizenship in flux: The figure of the activist citizen' (2009) 29 Subjectivity 367; E Isin and G Nielsen (eds), *Acts of Citizenship* (ZED books 2008)

14 G Debord, *La Société de Spectacle* (Gallimard 1996)

15 JH Carens, 'Aliens and citizens: The case for open borders' (1987) 49 Review of Politics 250

16 MJ Gibney, 'The rights of non-citizens to membership' in C Sawyer and BK Blitz (eds), *Statelessness in the European Union* (CUP 2011) 41

recent decades. Citizenship and residence are in the middle of an important transformation. Neither of the two is 'good'. Neither of the two is 'sacred'. While states came to be more perceptive and tolerant of the actual differences between their citizens as human beings[17], the obligations of citizenship started fading away[18], just as the right to be left alone received prominence: citizenship is now a sparer notion than it has ever been: the state cannot tell you whom to be; it respects who you are[19].

As a result, we are witnessing a certain rise of residence to prominence: as citizenship is thinning, residence has been thickening in a contrarian development, partly replacing citizenship's role as a legal connector between the individual and rights. Residence now grants access to non-discrimination claims in an ever-expanding number of important contexts; it comes with an articulated bundle of rights, including social rights even, and is recognized as greatly important also in relations between states as legal residence in certain countries can even be the basis for visa-free access to others.

Notwithstanding the fact that such a presentation is necessarily somewhat exaggerated, it is unquestionable that liberal democracies are having a hard time justifying their own non-existent 'uniqueness', which, in the heyday of the nation-state, was simply presumed and formed the patriotic core of citizenship. It is now clear to the Dutch that they are in no way better – by virtue of being Dutch – than the British or the French are[20]: citizenship is now developing in the direction of becoming a purely legalistic status and it cannot be otherwise. Viewed against this general context, the rising trends of citizenship-by-investment and residence-by-investment are truly illuminating, as they exemplify the practical nature of the two concepts in the world where the word 'sacred' — previously applied to the state and the logic of belonging — has progressively fallen out of use.

It has been a true privilege for me to participate as an expert and to contribute the introduction to this study — now already in its third year — as its interest and illustrative potential stretches much further than a simple ranking of a handful of investment migration programs: it is a testimony to the changing nature of the ties linking persons to authority in the contemporary world.

17 L Bosniak, 'Persons and citizens in constitutional thought' (2010) 8 International Journal of Constitutional Law 9

18 D Kochenov, 'EU citizenship without duties' (2014) 20 European Law Journal 482

19 C Joppke, 'The inevitable lightening of citizenship' (2010) 51 European Journal of Sociology 9

20 This is a general trend. See, e.g., J Tilley and A Heath, 'The decline of British national pride' (2007) 58 British Journal of Sociology 661

Prof. Dr. Dimitry Kochenov holds a Chair in EU Constitutional Law at the University of Groningen in the Netherlands and is visiting fellow at the European Institute, University of Basel, Switzerland. He is also the chairman of the board of the Investment Migration Council, Geneva. Prof. Dr. Kochenov has held numerous fellowships and visiting professorships worldwide, including at Princeton University (Crane Fellowship in Law and Public Affairs at the Woodrow Wilson School), NYU Law School (Emile Noël Fellowship), Boston College Law School (Senior Clough Fellowship), Osaka Graduate School of Law, and a Visiting Chair in Private Law (Citizenship) at the University of Turin. He publishes widely on different aspects of comparative and European citizenship law, and migration regulation, and consults for governments and international organizations on EU Constitutional Law and citizenship issues. Prof. Dr. Kochenov's latest edited volume is EU Citizenship and Federalism: The Role of Rights*, Cambridge University Press, 2017.*


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Expert Commentary

The Growing Market for Citizenship and Residence: A Policy Perspective

Madeleine Sumption
Director, Migration Observatory
University of Oxford, Oxford/UK

A growing number of countries now offer investment migration programs, exchanging residence rights or citizenship for a sizeable investment in their economies. From 'cash-for-citizenship' to incentives to invest in private-sector businesses or property, the market for investment migration has become increasingly diverse.

But how much value are governments getting from these programs? In theory, the benefits of investment migration programs for the countries that offer them are straightforward. Destination governments can use them to generate revenues for social programs, infrastructure, or paying down the deficit. They can also use them to attract job-creating investments in the private sector. For small countries, the proceeds from investment migration programs can be considerable.

In practice, policymakers have often found the results disappointing. While small countries with large investment migration programs can raise substantial funds, investors' activities in larger countries that have also embraced the programs — such as the US or the UK — are a drop in the ocean compared to the size of their economies.

Designing programs to maximize economic benefits can be a challenge, and rigorous empirical evidence of their impacts is usually absent. The UK gives residence rights to investors who purchase ordinary, interest-bearing government bonds — a transaction whose benefits to the UK economy are close to zero. Several European countries, such as Latvia, Portugal, and Spain, simply require applicants to purchase residential property. The impacts of these transactions are also likely to be quite limited (barring some concentrated benefits for realtors and agents). Programs that require private-sector business investments, such as the US EB-5 visa, are somewhat more promising. But even this model's impacts are hard to assess. Policies have only limited influence over how money is invested and whether investments actually create the expected number of jobs — especially since applicants can withdraw their investments as soon as they qualify for permanent residence or citizenship.

The clearest economic benefits come from programs that encourage cash payments to the government or national development funds. While there is no guarantee that governments will spend this money wisely, this model has two advantages over the alternative options. Governments know exactly where the money is going and what is being done with it, and non-refundable donations cannot be withdrawn a few years later. However, the simple transparency of this model makes it controversial and unpopular, accentuating public concerns about whether it is appropriate to 'sell citizenship'.

Not all investment migration programs can accurately be described as 'immigration'. Some impose no requirement to spend any time in the country, while others require only minimal visits of a few days per year. Such programs are often marketed for the access they provide to visa-free

travel in other countries. Notable examples include the citizenship-by-investment programs in St. Kitts and Nevis and a handful of other Caribbean countries, which have relatively good access to visa-free tourist and business travel worldwide. Most would struggle to attract applicants if they actually required investors to live in their country.

Countries with minimal residence requirements have to be careful to protect the reputations of their programs. Screening procedures to weed out applicants with criminal backgrounds or illegally obtained wealth help to reduce reputational risks which — in a worst-case scenario — could make other countries unwilling to offer visa-free travel to a country's citizens. This screening is much more thorough than most countries require for their tourist or business visas, but has inherent limits and the risk of bad apples entering through the program cannot be eliminated entirely.

Where next for residence and citizenship programs? Growing demand from the world's new wealthy classes, particularly in China, seems likely to fuel investment migration for the foreseeable future. As governments rush to introduce new programs, learning from other countries' experiences will be important. Popular destinations with longstanding programs, such as Australia and Canada, have recently reassessed their policies for good reasons, including looking for ways to admit immigrants who make more active economic contributions. The challenge will be to maintain the integrity and reputation of programs while demonstrating economic value much more clearly.

Ms. Madeleine Sumption is the director of research for the International Program at the Migration Policy Institute (MPI) — an independent research institute with offices in Washington D.C. and Brussels. Ms. Sumption oversees the International Program's research agenda and leads MPI's work on the economics of immigration. Her research focuses on the design and implementation of work-based visa policies, residence and citizenship programs, and the economic impacts of immigration policies in Europe, North America, and other high-income areas and countries. Her other areas of expertise include immigrants, labor-market integration and international cooperation on mobility (including free movement and the recognition of qualifications). She is also a non-resident fellow with MPI Europe.

Ms. Sumption recently published a policy overview of residence- and citizenship-by-investment programs, Selling Visas and Citizenship: Policy Questions from the Global Boom in Investor Immigration. *Other recent publications include* Remaking the US Green Card System *(co-author);* Rethinking Points Systems and Employer-Selected Immigration *(co-author);* Policies to Curb Illegal Employment; Projecting Human Mobility in the United States and Europe for 2020 *(co-author);* Migration and Immigrants Two Years After the Financial Collapse *(co-editor and author);* Immigration and the Labor Market: Theory, Evidence and Policy *(co-author); and* Social Networks and Polish Immigration to the UK.

Country Competitiveness, Talent Development and Residence Programs: A Brief Overview of the Parallels and Dynamics

Dr. José Caballero
Senior Economist, IMD World Competitiveness Center
Lausanne/Switzerland

The IMD *World Competitiveness Ranking*[21], published by the IMD World Competitiveness Center, measures how well countries manage their overall resources to increase their long-term value creation. The ranking covers 61 countries and reflects more than 300 criteria, of which two-thirds are based on statistical indicators and one-third on a survey of over 6,200 international executives.

In this article, we trace the impact of two drivers of competitiveness: country image and the quality of life it offers.

The competitiveness ranking includes a criterion related to the reputation of countries. To be precise, this criterion evaluates the image abroad of countries by asking executives to evaluate if the government of the country in which they reside encourages or discourages business development. The evaluation of a country's image may reflect the impact of factors such as the executives' perceptions about business regulation, the country's adherence to the rules of international trade and the existence of barriers to investment by foreign nationals (e.g. regulation of capital markets).

The ranking also measures the quality of life by enticing executives to reflect on the level (whether they consider it high or low) of their country's quality of life. Factors that may influence this criterion include the individuals' ability to meet their 'material' expectations (e.g. access to specific goods and services), their life satisfaction (e.g. ability to enjoy family time) and absence of threats (e.g. effective government policies against crime and the protection of individual rights).

The IMD World Competitiveness Center also publishes the yearly IMD *World Talent Report*[22]. In this context, talent is understood as the set of skills and competencies necessary to successfully perform specific activities. The talent report assesses the extent to which countries develop, attract and retain talent in order to sustain the talent pool available for enterprises operating in their economies.

Table 1 introduces the overall 2016 IMD World Competitiveness Ranking, the two survey rankings based on the image abroad and quality-of-life criteria, and the overall 2016 IMD World Talent ranking. Please note that Table 1 only presents those countries that are common to the IMD World Competitiveness Ranking/Talent Report and the Global Residence Program Index (GRPI; not shown in this article).

In general, there is a strong correlation between a country's overall competitiveness ranking and its international image as a place to do business. The sample presented includes 5 of the top 10 countries from the overall competitiveness ranking. A total of 4 of those 5 countries also make it to the top 10 for having an image abroad that encourages business development, according to executives in each of these countries. Some executives, however, are far gloomier about their countries' images, which leads to some incongruities between the competitiveness ranking and a country's image. For example, the US ranks 3rd in overall competitiveness but emerges in the 18th spot for image abroad. Similarly, Belgium ranks 22nd and 38th, respectively.

In relation to the quality of life, it seems that most executives residing in the top 10 countries of the competitiveness ranking find the quality of life in those countries in need of enrichment. For example, Hong Kong ranks 1st in the overall ranking but reaches

21 The two reports discussed, the 2016 *IMD World Competitiveness Ranking* and *IMD World Talent Report*, both cover the same 61 countries sample. See *imd.org/wcc/*

22 *IMD World Talent Report* (2016), IMD World Competitiveness Center, Lausanne. Available from *imd.org/wcc/world-competitiveness-center-rankings/talent-rankings/*

Table 1. Competitiveness and Relevant Criteria

Country	Overall competitiveness ranking 2016	Image abroad 2016	Quality of life 2016	Overall talent ranking 2016
Hong Kong	1	5	25	10
Switzerland	2	2	1	1
US	3	18	18	14
Singapore	4	1	17	15
Canada	10	8	5	12
UAE	15	4	14	26
Australia	17	13	7	17
UK	18	11	24	20
Belgium	22	38	12	3
Austria	24	15	2	8
Spain	34	36	21	32
Latvia	37	39	42	33
Portugal	39	44	30	22
Bulgaria	50	50	55	57
Greece	56	60	37	36

only the 25th place in the quality-of-life criterion. Of the sample presented, only Switzerland and Canada remain in the top 10 countries of both rankings.

Executives from countries found in the lower rankings of competitiveness conceived the quality of life in those countries as high. For example, Greece ranks 56th in competitiveness but 37th in quality of life; similarly, Spain ranks 34th and 21st, respectively, while Austria ranks 24th in overall competitiveness but 2nd in quality of life. This trend is consistent with studies that note an inverse relationship between economic progress and elements of the quality of life, such as a healthy environment[23].

The IMD World Competitiveness Ranking and the GRPI largely coincide, although there are few exceptions. In the competitiveness rankings, Hong Kong and Singapore are placed in the top half of the group (1st and 4th, respectively) while they rank in the bottom half of the GRPI (19th and 17th, respectively). Similarly, Portugal ranks 39th in the competitiveness ranking (bottom half) while it ranks first in the GRPI.

[23] E Diener and E Suh, 'Measuring quality of life: Economic, social, and subjective indicators' (1997) 40(1-2) Social Indicators Research 189

It is also interesting to note the parallels between the overall IMD World Talent ranking and the GRPI. Australia, Austria, Belgium, Canada, Portugal, Switzerland, the UK and the US are placed in the top half of both rankings. However, as in the case of the competitiveness ranking, there are some disparities: Hong Kong, Singapore and the UAE rank in the top half in talent development (10th, 15th, and 26th, respectively) but they remain in the bottom half of the GRPI.

Incongruencies, however, do not lessen the importance of the dynamics: recent research highlights the positive impact of the internationalization of domestic workforces through their exposure to the global knowledge, broader experience, and understanding of a wider set of best practices provided by the inflow of foreign personnel. Evidence suggests that the most essential drivers of business leadership capabilities and competencies are linked to such exposure[24]. Residence- and citizenship-by-investment programs thus contribute to the development of local talent by improving the quality of business leadership available.

Dr. José Caballero is a senior economist at the IMD World Competitiveness Center. His research interests focus on the sources of competitiveness, with emphasis on enterprise competitiveness. He is particularly interested in behaviors and processes that strengthen the competitiveness of firms. Dr. Caballero has conducted research at the IMD Global Board Center, the International Institute for Corporate Governance (Yale School of Management) and the National Bureau of Economic Research. In addition, he has acted as an academic advisor to the World Justice Project in the development of the Rule of Law Index. *He has also worked as a consultant for the European Union Support Program for Central American Integration, the Private Sector Advisory Department at the World Bank, the International Investment Corporation (World Bank), and the Inter-American Development Bank.*

Dr. Caballero has taught at the University of Warwick and the University of the West of England. He holds a Ph.D. (Politics and International Studies) from the University of Warwick and an M.A. (Social Science: Government) from Harvard University.

24 A Bris, J Caballero and C Cabolis, 'Talent competitiveness and leadership quality' in IMD Tomorrow's Challenges Series (IMD 2017)

Due Diligence in the Context of Investment Migration Programs

Damien Martinez
Former Director, Government, Risk and Compliance
Thomson Reuters Western Europe, Paris/France

Several countries around the world offer economic citizenship or investment migration programs to attract global investors. In return for an investment into the country, the investor receives citizenship and a passport. Investment may be indirect investment, which generally requires naturalization by a period of residence, or through a direct program involving a donation to charities, purchase of real estate or investment in a business. Each program has mandatory conditions that must be satisfied before citizenship is granted, but these vary by country. In some countries, the applicant has no obligation beyond the investment. It is critical that countries clearly understand the background and verify the good character of the applicant, as well as confirming that the source of funds invested is not from money laundering, drug- or human trafficking, or other criminal activities.

Countries that offer these programs hope to benefit by stimulating their economies through the capital invested as well as through the deployment of the skills and experience of the program applicants. Different programs have different degrees of state involvement in the investment. Certain countries may require the applicant to make a capital contribution to the state. This is the case in Dominica, Antigua and Barbuda, and St. Kitts and Nevis. The investment can be in the form of a donation to the state (Dominica, and Antigua and Barbuda) or to a state charity (St. Kitts and Nevis). The country may require the applicant to make an investment in the economy. From a due diligence perspective, the nature of the investment determines the degree of involvement by the state.

Regardless of the level of state involvement in the funds once received, there is a significant reputational risk for the country if it later becomes known that these funds have not been legally obtained. If thorough due diligence on applicants is not conducted, this not only puts the country's international reputation at risk, but there may be consequences for all citizens, such as visa restrictions applied to all nationals by other countries. This also risks the future viability of the investment migration program should the country become less attractive to legitimate applicants. Political fallout can also be severe.

The motivations for investors seeking economic citizenship can be grouped into four general categories: the need to survive for political or national refugees from countries affected by civil war, natural disasters, famines or similar events; the desire to travel to access business and other opportunities; the ability for individuals to enjoy full civil rights, such as voting, buying property and the right to work and/or benefit from a more favorable tax regime; and the desire of criminals (suspected or confirmed) to escape justice. By the establishment of a robust due diligence process, states welcoming new citizens must verify initial motivations behind the choice of a new passport. In any case the new citizenship may be granted for the wrong reasons. Our era of transparency doesn't forgive unnecessary risks, especially when it comes to citizenship and sovereignty, hence the extreme importance of conducting due diligence processes when examining a file.

In reality, an investor's motivation can be a combination of two or more factors. The categories themselves are strongly interdependent and difficult to differentiate. It is critical that investment migration program administrators conduct sufficient due diligence on applicants to ensure that their motivations and source of funds are clearly understood. This is a key step in differentiating between a political refugee, a person seeking legitimate tax benefits, and a terrorist or money launderer. Clearly, each category has different implications for the country. The risk of harboring undesirable applicants has led to a proliferation of treaties on international cooperation as well as extradition agreements.

If a country inadvertently grants citizenship to terrorists, money launderers or other criminals, the reputational damage it is likely to suffer will decrease its attractiveness to other law-abiding investors, damaging the prospects of their investment migration

program. There is a reputational risk to a country if it is shown later to be ignorant of the source of any money invested into it via an investment migration program. Stimulating a country's economy with the proceeds of crime is never a good idea. The country also runs the risk of being accused by other countries of harboring criminals. Corruption risk is also likely to increase should criminals identify that country as a good prospect for second citizenship. Government officials involved in the investment migration program are likely to be targeted with bribes.

Countries may also face consequences from international institutions such as the UN or the Financial Action Task Force if evidence of due diligence or other such information is requested and the country cannot provide it. Such actions could have serious political, reputational, and financial consequences for the country. There is also a continual increase in regulatory requirements, many of which affect citizens outside the countries enacting them. The US Foreign Accounts Tax Compliance Act, for example, requires individuals to report their offshore financial accounts, and obliges foreign financial institutions to report to the US Internal Revenue Service regarding their American clients. With the increase in regulations, countries need to ensure that where they have an obligation to ensure compliance, they do so. At the same time, increased regulation means an increase in people and entities that fall foul of these regulations, and who must be flagged as non-compliant or recalcitrant.

A country therefore needs to have strong procedures in place to ensure that it is able to both keep away undesirable investors and ensure that it complies with international regulations and guidelines. It is very clear that countries need to demonstrate their commitment to thoroughly understanding the background, source of funds and likely intentions of investment migration applicants. At the very least, the procedures are likely to include verification of identity, background checks and research based on the applicant's nationality. It is also essential to check international databases and those of other countries, to ensure that the subject does not have an undeclared second nationality. The country would also have to check that the applicant is not subject to sanctions and establish whether they have a criminal record in another country.

Certain flags indicate the need for enhanced due diligence. While every applicant needs to be carefully screened, there are certain indicators that should lead to a deeper investigation through enhanced due diligence. These include: persons residing in or having funds sourced from countries identified as having inadequate anti-money laundering standards or representing high risk for crime and corruption, and persons engaged in types of economic or business activities, or sectors known to be susceptible to money laundering.

Financial institutions are required to apply due diligence to the process of understanding their customers through Know Your Customer (KYC) obligations. These arise from Organisation for Economic Co-operation and Development (OECD) recommendations, country-specific requirements and international regulations such as the US PATRIOT Act. Investment migration program administrators face similar challenges to financial institutions in approving applications quickly and cost effectively, and the consequences of inadvertently approving the wrong applicants are severe. Taking the learnings and experience of KYC can help to transfer best practices to Know Your Immigrants (KYI). Where financial institutions have established effective methods to acquire new customers safely, these could be adapted and enhanced for use in investment migration programs.

Residence and citizenship programs are often seen by countries as a way to attract skills and low-cost funding and stimulate the local economy. Potential applicants may view these programs as a welcome chance to access many benefits they may not enjoy in their home country, or to escape from unpleasant or dangerous conditions at home. Unfortunately, terrorists, money launderers and other criminals often try to take advantage of these programs to circumvent travel restrictions, 'launder' their reputations and evade justice. Where this happens, countries run the risk of severe reputational damage, international criticism and sanctions.

Financial institutions provide a useful precedent for government departments running investment migration programs. By adapting global best practice in KYC into KYI, program administrators can benefit from years of experience and development. By relying on objective country risk rankings and aggregated risk intelligence for screening of applicants, as well as enhanced due diligence reports for deeper investigation, government departments can apply best-practice KYC principles to immigrant screening while streamlining their processes. This provides assurance to public servants and citizens alike that applicants are screened effectively, quickly and cost efficiently.

Mr. Damien Martinez is the former director of Government, Risk and Compliance Western Europe at Thomson Reuters. Mr. Martinez is the co-author of the biography Zarqawi — The New Face of Al-Qaida*, translated into eight languages. He is a regular participant on terrorism and economic crime conferences, and has worked on the topic of diligence in the course of Economic Citizenship programs. He is the former head of Terrorism Financing Prevention for the Credit Suisse Group.*

While at Credit Suisse, Mr. Martinez served on the Wolfsberg Group, a professional association of 11 leading global banks, which aims to develop financial services industry standards and related products for KYC, anti-money laundering and counter-terrorist financing policies.

Prior to Credit Suisse, he spent several years with the Swiss Federal Police working with the Federal Counter-Terrorism Unit and Serious Crimes, and served as a member of Interpol's Group of Experts on Terrorism. He participated as an expert on the Counter-Terrorism Implementation Task Force under the lead of the UN Office on Drugs and Crime. Before this, Mr. Martinez worked as a special investigator with the September 11 Class Action, representing more than 20,000 family members of the terrorist attacks.

Compensatory Citizenship: Dual Citizenship as a Response to Global Inequality

Prof. Dr. Yossi Harpaz
Assistant Professor of Sociology
Tel Aviv University, Tel Aviv/Israel

Citizenship is the key status that determines an individual's position within a hierarchical global system. Those who are born with the 'right' citizenship — say, Swedish or Canadian — gain access to a formidable package of opportunities, rights and security that is nearly unimaginable to persons born with Somali or Syrian citizenship. Only about 15% of the world's population holds citizenship from the US, Canada, Australia or an EU country. Relative to the remaining 85% of humanity, they constitute a global elite in terms of citizenship rights. The gaps between the West and (almost all) 'the Rest' are vast: the economist Branko Milanovic has calculated that the 5% of Americans with the lowest incomes still have an average income that is higher than 60% of the world's population (they are in the 60th percentile of the global income distribution). Meanwhile, the earnings of the lowest-income Danes place them in the 90th percentile of the global distribution.

The elite status of Western or EU citizenship becomes even more striking when we take into consideration its extraterritorial value — that is, the recognition that a passport receives from other countries beside the country that actually issued it. For example, Spanish citizenship offers a package that also includes an unrestricted right to reside and work in Germany or Sweden (through EU citizenship) and visa-free access to the US and Canada. Travel freedom has become particularly valuable in today's globalized world, where the ability to cross international borders plays a key role in determining individuals' economic opportunities, consumption habits and social status — sometimes even their personal safety.

We can view citizenship, then, as a sorting system that allocates individuals into different — and starkly unequal — slots within a global matrix of states and citizens. For most of the 20th century, this sorting system did not tolerate overlaps: countries demanded exclusive allegiance from their citizens and did not typically permit multiple citizenship. In 1990, only about a quarter of countries in Europe and the Americas permitted dual nationality. Soon thereafter, legal norms began to change rapidly. Numerous factors, including a boost in international migration and the end of the Cold War, have combined to make dual citizenship legally and normatively acceptable. By 2010, over three-quarters of European and American countries permitted it. Today, the acceptance of multiple citizenship has become the norm among developed countries. The few Western countries that resist this trend — for example, Austria or Norway — are now the exception.

The acceptance of dual citizenship might appear at first as a minor, technical change, one that would only carry consequences for specific categories of individuals (immigrants, children of parents of different nationalities, etc.). In fact, however, the waiving of the traditional requirement for exclusivity has the potential to change the basic ways in which states and individuals approach national membership. As citizenship becomes more flexible, many states now extend citizenship to populations that live outside their territory but are nonetheless desirable for other reasons — because of their ancestry or ethnicity, or even their value as potential entrepreneurs and investors.

From the point of view of individuals, the change is even more dramatic. In the 'traditional' system of exclusive national membership, citizenship operated as a strict, rigid status: once determined (usually at birth), it could only be changed with great difficulty. Acquiring a second citizenship meant giving up the old one. All this changed once it became possible to hold more than one citizenship. Citizenship is now flexible and fungible. In sociological terms, citizenship is changing from being an 'ascribed status' — meaning a characteristic that is fixed and imposed from the outside — to an 'achieved status', meaning that it can be changed through individual striving. Persons around the world can strategize their citizenship status and seek the national affiliation that they expect will provide them with

the greatest benefits for the smallest investment. While only a very small percentage of humanity has actually strategized their citizenship status in this manner, the fact that it is possible changes the rules and value of citizenship. In other words, citizenship is being drawn into the capitalist market, and coming to be perceived as a piece of private property — even a commodity.

The new principle of dual citizenship toleration — and the concomitant commodification of citizenship — adds dynamism into the rigid system of citizenship-based global inequality, allowing people to improve their position in the global hierarchy. The clearest expression of this is a phenomenon that I call compensatory citizenship: individuals from outside the West who obtain a second citizenship from a Western or EU country. The second citizenship is 'compensatory' because the second, premium citizenship is typically used to complement the primary, resident citizenship rather than replace it. Most individuals who obtain this kind of citizenship do not emigrate; instead, they are interested in securing an 'insurance policy', a premium passport and improved opportunities that their primary resident citizenship cannot offer them.

Compensatory citizenship is found in countries that are in the middle of the global distribution of citizenship value and that host population sectors with a history of ancestral, ethnic or migration ties with European and North American countries. This applies first and foremost to two regions: Latin America and Eastern Europe. When Italy and Spain offered dual citizenship to the descendants of emigrants, almost one million Argentineans and Brazilians applied for a second passport. In Eastern Europe, citizens of non-EU countries rush to secure co-ethnic citizenship from the countries that have joined the Union. Thus, hundreds of thousands of Moldovans, Ukrainians, and Serbians have secured citizenship from countries such as Hungary and Romania. In contrast, eligible individuals in the US and Western Europe showed very little interest in converting their roots into a second citizenship. This demonstrates that the main force driving the

demand for ancestry-based European citizenship is global inequality: more specifically, the wish to secure compensatory citizenship and the practical advantages that come with it.

As millions of European descendants convert their ancestry into privileged access to the EU, individuals who do not have such ancestry are coming up with other approaches to secure compensatory dual citizenship. One strategy is 'birth tourism': traveling to the US and giving birth there with the aim of providing the newborn with automatic birthright citizenship. Given the expenditure involved in birth tourism — starting from USD 7,000 and ranging up to USD 25,000 or more — it is mostly practiced by wealthy families coming from a range of nationalities, for example Mexican, Chinese, Turkish and Nigerian. One other strategy of compensatory citizenship is strategic naturalization: naturalizing in a country with a liberal citizenship regime (for example Spain, which allows Latin American immigrants to naturalize after a relatively short period) and — once citizenship is secured — returning to one's country of origin.

These developments lead to changes in the way in which people around the world understand and experience citizenship. As part of a dissertation research project at Princeton University, I conducted interviews in two study cases of compensatory citizenship: Israel and Mexico[25].The Israelis I studied were second- or third-generation immigrants who drew on their ancestry to obtain EU citizenship (above all, German, Polish, and Romanian); the Mexicans were northern elites who practiced birth tourism in the US. In spite of the geographical, cultural, and historical distance between the two settings, my research has revealed striking commonalities in the ways people related to citizenship. Around 20 or 30 years ago, these combinations of dual citizenship would be highly provocative and controversial. First of all, Mexico did not permit dual citizenship until 1998.

[25] I also conducted research on Hungarian dual citizenship in Serbia, but I will not discuss it here

Moreover, Mexicans would traditionally condemn emigrants to the US — or, even worse, people who took up American citizenship — as traitors or rotten persons (*pochos*). In Israel, dual citizenship was always permitted by law but there was strong social stigma against seeking German citizenship. In the eyes of many Israelis, taking German citizenship was an abomination — a blasphemous act tantamount to 'forgetting the Holocaust' and repudiating Zionism. Today, such discourses still exist in both countries, but only at the margins. Dual citizenship is seen as widely legitimate, even if the partner nation is a historical rival or victimizer, and dual citizens face little everyday censure.

As for citizenship applicants themselves, they typically employed a language associated with property and economic interests when discussing citizenship. Mexican parents spoke of birth tourism as a long-term investment in their children's future. They calculated its costs against the expected benefits — above all, in terms of security, opportunities, and global mobility — while also taking into account associated additional costs (global taxation). In Israel, the decision to apply for dual citizenship was often explained in terms of seeking restitution. Applicants commonly described German or Polish citizenship as an asset that was stripped away unlawfully from their immigrant parents or grandparents. Acquiring EU citizenship offered a degree of restitution for the lives and property that their family lost in the Holocaust. As in Mexico, the second citizenship was envisioned as useful only for the younger generation — for whom it would supposedly provide "opportunities in Europe" (not in the specific origin country) and even make them "citizens of the world". This final point helps explain the lowered public resistance to dual citizenship in Israel, Mexico, and elsewhere. Along with its 'marketization' and commodification, citizenship is also becoming denationalized, meaning that it is coming to be associated less with a specific nation and more with economic benefits and with standing within a global society.

Prof. Dr. Yossi Harpaz is an Assistant Professor in Sociology at Tel-Aviv University. He earned his Ph.D. from Princeton University in 2016. His research explores the implications of the worldwide move towards toleration of dual citizenship, focusing on the way this change reconfigures global inequality and creates new opportunities for individuals outside the West. Prof. Dr. Harpaz's broader research interests include globalization, immigration, ethnicity, and nationalism. His work has been published in the International Migration Review, *the* Journal of Ethnic and Migration Studies *and other publications.*

Ius Doni — Then and Now

Prof. Dr. Kristin Surak
Associate Professor of Politics
SOAS, University of London, London/UK

Ius doni, or the acquisition of citizenship through exceptional donation, has a much longer historical background than is often recognized. The channel today, gradually spreading, can find distant forerunners in the Ancient World. We often think of Athenians as the pioneers of citizenship as a shared political status that served as an accompaniment to governmental rule. Of course, at the time, citizenship was held by the privileged few in a society dependent on slavery, and access was tightly circumscribed. The sorts of naturalization procedures we have today find no equivalent: no one could apply for citizenship, which was typically passed down within elite families. Yet in the minority of cases when it was not inherited, it was treated as a reward — a pragmatic show of gratitude — for benefits given to the state. In these cases, citizenship was not granted in an anonymous and bureaucratic manner, but in an exceptional show was conferred to specific individuals for particular deeds. If initially diplomats and rulers were the main recipients of citizenship by special grant, by 230 B.C.E., men of commerce more frequently received the reward in recognition of their financial success or contributions to the government purse. In Byzantium, around the fourth century B.C.E., for example, citizenship could be obtained for a donation of thirty *minae* when the public coffers were empty.

As the Peloponnese came under the control of the Romans, citizenship grants in recognition of financial benefits expanded further. Indeed, the imperial Romans were more eager than the hesitant Greeks to extend citizenship to those who provided the state with monetary resources. A slave, for example, who purchased his freedom acquired the legal status of his owner, and if the owner was a citizen, the ex-slave became one as well, though with a diminished legal status for one generation. Plutarch even complains of a tribune who set up a stall in the Forum to sell Roman citizenship. Those who naturalized gained an improved legal status, but at a continuing cost. Once one became a citizen, the monetary grants didn't stop for, as in Greece, the wealthy members of the city were expected to finance competitive games, public projects, and — above all — military endeavors.

Medieval city-states in Europe, too, saw fit to grant local citizenship in exchange for monetary donations, essentially purchasing the privilege to trade and carry out business under its jurisdiction. In many boroughs, one did not have to live in the locality to be a member and vice versa: non-residents could be citizens, and most residents were not. These practices continued in patches even through the twentieth century. Liechtenstein, for example, mandated a 'fiscal naturalization' stream in 1920 that accounted for a substantial portion of new citizens — and public revenue — for a quarter of a century.

But of course, citizenship takes on a different meaning in the contemporary world where the vast majority of people are ascribed citizenship in the state of their birth. Yet for the globally mobile, the stateless, and others, acquiring citizenship through naturalization can be an attractive option. Comparing countries in Europe and the Americas, the EUDO CITIZENSHIP Global Database identifies

over two dozen bases for the acquisition of citizenship (and 15 ways in which it can be lost), including spousal transfer, adoption, cultural affinity, and public service. *Ius doni* stands among these possibilities. Of the countries offering citizenship-by-investment programs at present, nearly all include a government donation channel, either as the main form of contribution to the state, or as part of a broader package. If managed well in a transparent manner, these funds can serve as a beneficial means for small states to substantially enhance their economic prospects and social programs. Indeed, they are a particularly attractive option when natural resources are scarce, the tax base small, and imports essential. With the money going straight into state coffers, rather than directly into the private sector, the possibilities are great for directing the funds to develop needed public works projects aimed at long-term social and economic improvements. Yet little research has been carried out on the best practices for managing these potential growth engines. As more countries consider *ius doni* channels for granting citizenship, the possibilities increase for exploring configurations that do the most to benefit the societies they represent.

Prof. Dr. Kristin Surak is a senior lecturer (associate professor) at SOAS, University of London, who specializes in international migration, nationalism, culture, and political sociology. She is a past Richard B. Fischer Member of the Institute for Advanced Study at Princeton. Her book Making Tea, Making Japan: Cultural Nationalism in Practice *appeared with Stanford University Press in 2013, and received the Outstanding Book Award from the American Sociological Association's Section on Asia. She has published in numerous academic and intellectual journals, including the* European Journal of Sociology, International Migration Review, Ethnic and Racial Studies, New Left Review, *and* London Review of Books, *and her work has been translated into Japanese, Spanish, Swedish, Korean, and German. For her scholarship, she has received awards and fellowships from the American Academy of Political and Social Science, Fulbright-Hays Foundation, Japan Foundation, European University Institute, Frankfurt University, University of California Board of Regents, and the Sainsbury Foundation, among others. Before joining SOAS, she taught at UCLA and at the University of Duisburg-Essen. She comments regularly for the BBC, Sky TV News, Deutsche Welle, and Al Jazeera. Currently, her research investigates temporary migrant labor programs in East Asia and across the globe, as well as the rise of citizenship-by-investment programs.*

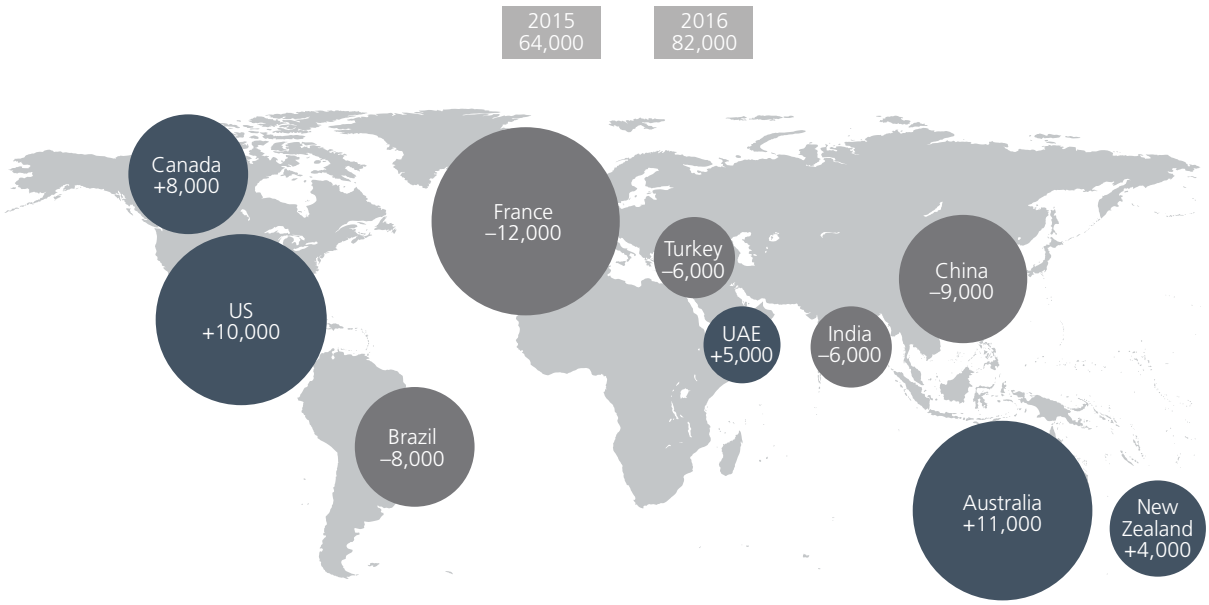
The Migration of Millionaires

Dr. Juerg Steffen
Chief Operating Officer
Henley & Partners, Vienna/Austria

With a range of migration paths to choose from, including residence- and citizenship-by-investment programs, it is interesting to observe where millionaires are choosing to migrate to and from, and why. A millionaire is a person with a net worth in excess of USD 1 million (the value of all financial assets and real estate after deducting any debt), but it is worth distinguishing between the 'average' millionaire and high net worth individuals (HNWIs) and ultra HNWIs, who possess a net worth of USD 1 million in liquid assets and more than USD 30 million in such assets, respectively. There are myriad factors that motivate the wealthy to migrate — and they usually differ between millionaires and UHNWs — but most millionaires are primarily driven by the desire for better quality education, personal security, healthcare, climate and cleanliness, and, of course, a more favorable tax environment.

According to New World Wealth, from 2015 to 2016, millionaire migration increased by almost 30%. A key driving factor behind this growing trend is the introduction by the Organisation for Economic Co-operation and Development (OECD) of the Standard for Automatic Exchange of Financial Account Information. The Standard outlines automatic disclosure of financial account information between countries through a set of rules as outlined in the Common Reporting Standard (CRS). The principle of banks being required to report information on foreign clients' earnings to their domicile country, or in the case of US citizens, to the US, has been applied in the EU and US for 10–15 years; the rest of the world now has up to two years to do the same. Millionaires in

Figure 1. Top countries gaining or losing millionaires



Source: Visual Capitalist

countries yet to implement the policy, particularly those in South America, Asia and other developing markets, 'suddenly' find themselves in an awkward position where they do not have many options left, and need to look for stable and secure countries, with favorable tax systems, to relocate to. Wealthy families from emerging market countries with high levels of state corruption, whether at police, judicial and/or political levels, are extremely concerned about their personal safety, and worry a great deal about potential misuse of exchanged financial data. These are serious and legitimate concerns.

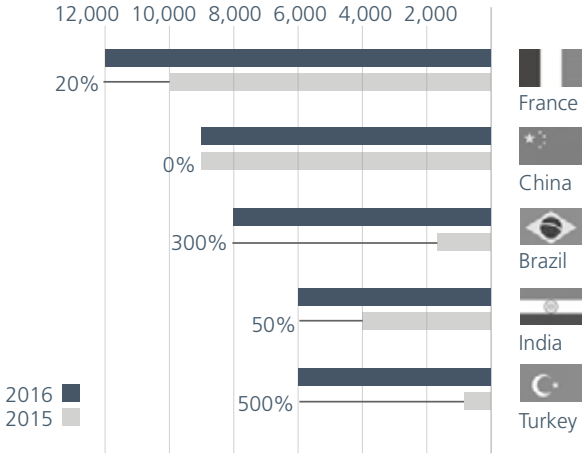
While the CRS is not a main driving factor behind the exodus of millionaires from France, an unfriendly tax regime *is*, along with rising religious tensions. However, the French are mainly migrating within the EU and nearby, e.g. to Portugal, Belgium, and Switzerland. Apart from the influence of the CRS, Chinese and Indian nationals emigrate to pursue more economic freedom, better quality education, and lifestyle, while Brazilians and Turkish citizens are also motivated by economic instability.

The role of residence- and citizenship-by-investment programs

Citizenship-by-investment programs typically cater for those millionaires — usually HNWIs and UHNWIs — who do not want to migrate but want the benefits associated with a specific nationality, e.g. visa-free travel, personal security and an ability to settle any time in their country of choice. Wealthy people who migrate want to live elsewhere, either because of push factors in their own country or pull factors in their destination country, and residence-by-investment programs cater well for these wealthy individuals and their families.

In the past, Canada's Federal Immigrant Investor Program and the US EB-5 Immigrant Investor Program were very popular, but with the former now closed and the latter more restrictive, entrepreneurs and investors are turning to other options. European countries are increasingly popular for their quality of life and travel freedom, in particular among the Chinese, while the UAE has no income tax and proves very appealing to millionaires from India hoping to escape the recently introduced higher taxes there. Australia is highly developed and one of the wealthiest countries in the world, with a high per capita income and excellent quality of life, health, education, economic freedom, and stability. Popular among Chinese citizens, both Australia and New Zealand, with their geographical

Figure 2. Losing millionaires



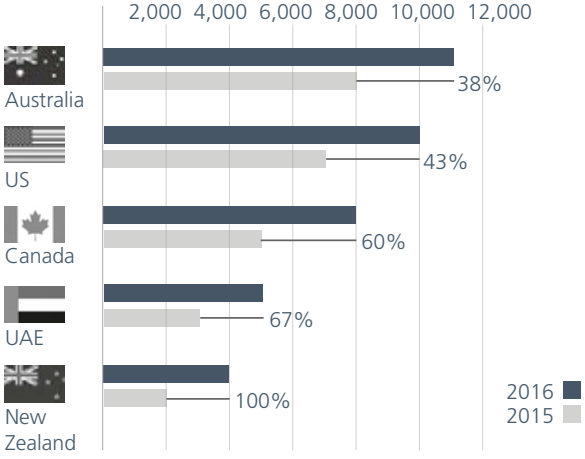
Source: Visual Capitalist

distance from political and religious issues, are also increasingly favored by wealthy migrants from the EU and US.

The proverbial canary in the coalmine, increasing millionaire migration can be a sign of a growing lack of confidence in a country. Along with their family, millionaires also bring their money and the taxes they pay with them, which can negatively affect the local economy and property market of the country they are leaving. In some cases, they also relocate their business — and the jobs it generates — as well as their skills, qualifications, and influence. Therefore, while millionaires may reflect only a very small percentage of a country's population, keeping them — or attracting them — is an important pursuit.

Dr. Juerg Steffen is the chief operating officer of the Henley & Partners group and is based in Austria. Dr. Steffen has over 25 years' experience in the financial services industry. Before joining Henley & Partners, he was a personal advisor for the members of one of the wealthiest families in Europe, a member of the management board and head of the wealth planning department of a leading private bank in Austria, and director in the cross-border wealth planning department of UBS in Zurich, advising wealthy clients in all matters regarding financial, residence and citizenship planning. He is the author of books about relocating to Switzerland and Austria.

Figure 3. Gaining millionaires



Source: Visual Capitalist

Global Movement of Billionaires

Dr. Marcel Widrig
Partner, PwC and Global Private Wealth Leader

The majority of the world's billionaires have made their fortune in the past 20 years, mostly originating in industry 'sweet spots' such as technology, financial, retail and consumer services. In recent years — propelled by economic growth in Asia, particularly China — other industries such as materials, real estate, and industrials have also played a role in boosting the growing number of billionaires globally. A study series conducted by UBS and PwC as from 2015 onwards, called *Billionaire Insights*, which covers the development of ultra high net worth individuals (UHNWIs) within the most relevant territories, estimated that an aggregate wealth of about USD 6 trillion was spread over some 1,500 individuals or families.

When it comes to the global movement of billionaires, the first point to analyze is where these individuals come from. In the past, the US generated the most new billionaires by a significant lead; however, Asia has not only caught up, but in 2016 and for the first time in history, with more than 160 new entrants, outnumbered the US. The region now has more than 600 billionaires while the US records slightly below this figure. Europe, where the preservation of wealth plays a more dominant role, remains stable at around 350 billionaires recorded.

The mobility restrictions

Most billionaires are first generation entrepreneurs and are still closely connected to their businesses. This creates certain mobility limitations, which are less related to physical presence, and more to the ownership structure and dividend/investment flows from and to the business.

For example, a German-resident billionaire retaining a business in the country but moving to Monaco may find the new local income tax perspective attractive. However, the move could trigger withholding tax on dividend distributions from Germany to Monaco, which may not only offset any potential tax advantages but — especially in combination with exit tax provisions — result in the individual being in a much worse tax position.

From a legal perspective, billionaires do not face many mobility restrictions, especially given the budding number of residence- and citizenship-by-investment programs working to attract wealthy individuals and/or families. As a result, billionaires and their families are increasingly global, and often individual family members are spread around the globe. This — together with typically close ties to family businesses — results in UHNWIs and their families facing a threefold challenge from a tax perspective:

First, family members residing in a number of different territories may trigger limited or unlimited tax liabilities in the respective countries. Second, they are often linked to businesses which are equally international and catalyst multiple tax liabilities as well. Third, the transfer of assets within the family may initiate inheritance or gift tax consequences, which are less coordinated at an international level than corporate or individual income taxes.

The current challenges

Bearing in mind the often close ties billionaires maintain to their international businesses, corporate tax planning, up to the ultimate beneficial owner, is often of paramount interest. In recent years, the international corporate landscape has undergone a dramatic change, culminating in the Organisation for Economic Co-operation and Development (OECD)'s business erosion and profit shifting (BEPS) project, which is aimed at preventing the shift of profits to low- or non-tax jurisdictions and/or the circumvention of tax rules by multinational companies. The project has led to a number of new internationally relevant tax laws coming into effect.

While publicly quoted, large multinational groups traditionally had elaborate corporate tax structures — which often were causal for these BEPS measures, privately held businesses have typically been kept leaner with respect to such tax functions. With the new legislation, many of these businesses will need

to undergo a significant corporate restructuring in order to ensure compliance.

Billionaires, being the ultimate beneficial owners of such businesses, often see themselves faced with a set of new holding requirements, which has an increasing influence on residence planning. At the same time, due to the Common Reporting Standard (CRS) and the resulting exchange of financial information between different nations and territories, care has to be taken that no misreporting or double reporting occurs. This is especially true for billionaires and their families who are tied to their businesses through a number of holding and financing vehicles. In other words, while in the past wealthy families could focus on profitable businesses and did not need to concern themselves much with residence planning, both corporate tax laws (through BEPS) and individual tax laws (triggered by CRS) have led to a 'perfect storm' that internationally active billionaires must now weather.

The outlook

Today, the biggest challenges billionaires and their families face is less of an infrastructural character but rather of a tax and regulatory nature. Moving from one place to another, having offspring with business interests living in a number of different countries, and studying or temporarily residing in other countries all prompt a growing number of tax questions both at individual and business levels. At the same time, countries expanding their restrictive tax laws — aimed at 'taxing the rich' — and the rising number of billionaires relocating from countries with limited governance are leading to a ballooning number of UHNWIs moving to safe and reliable countries that offer a reasonable tax environment.

This movement will be supported by sophisticated tax and legal planning, as was in the past for large multinational corporates. The main difference, however, will be that such planning will not aim primarily at reducing taxes, but rather to comply with necessary regulatory requirements to avoid the risk of double or multiple taxation of the billionaire's income and wealth in a global context.

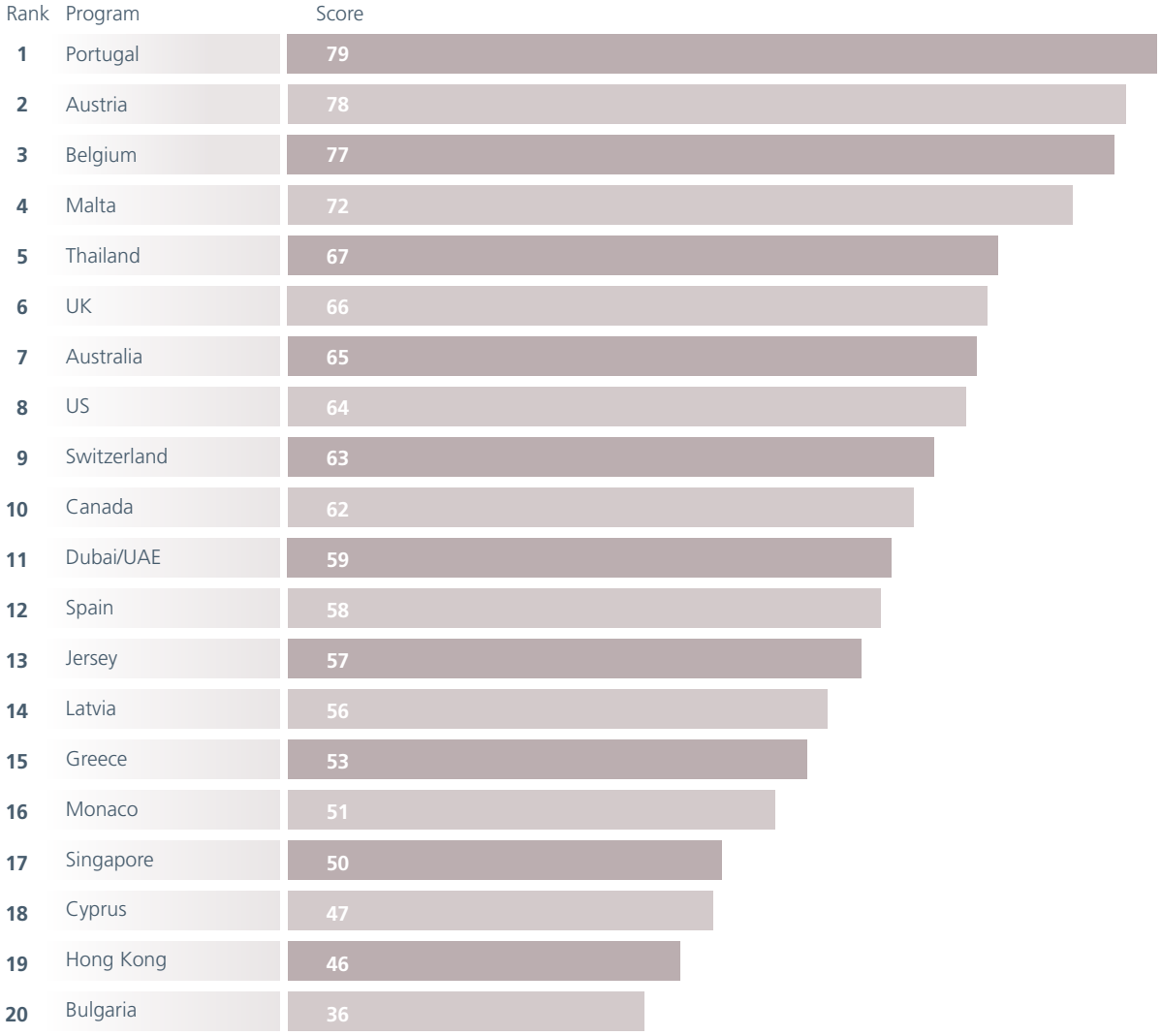
Dr. Marcel Widrig is a partner at PwC based in Zurich, where he leads PwC's private client network and is the global tax leader of UHNWIs. Dr. Widrig has more than 23 years' experience in international tax and legal planning for UHNWIs and their family offices. He regularly publishes in different media, and is a lecturer for tax law at the University of Zurich.

The Global Residence Program Index (GRPI)

The GRPI 2017–2018

Resident status in a country of which one is not a citizen affords certain rights, which may include the ability to live there and enjoy a certain quality of life, work, be tax resident under that country's tax system, and purchase property. It does not confer a passport, meaning residents will not enjoy the same visa-free travel that citizens do.

Figure 4. The GRPI 2017–2018



Factors

- Reputation
- Quality of Life
- Tax
- Visa-free Access
- Processing Time and Quality of Processing
- Compliance
- Investment Requirements
- Total Costs
- Time to Citizenship
- Citizenship Requirements

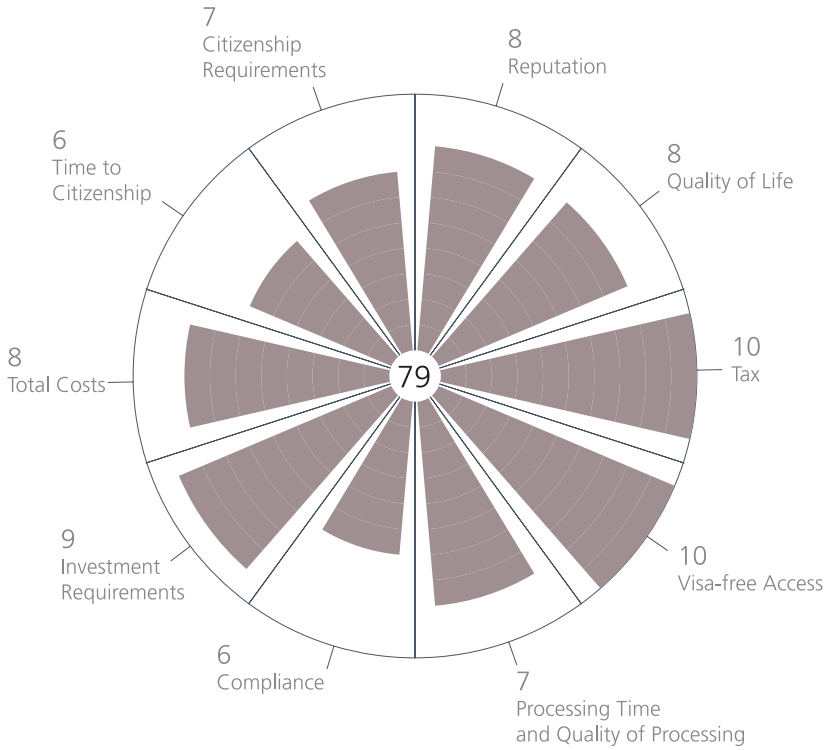


Figure 5. The total score for Portugal on the GRPI is 79/100, ranking it 1st out of 20 programs

1st | Portugal

Portugal boasts an excellent reputation, with a very high Human Development Index ranking, and is considered one of the world's most globalized and peaceful nations with a great quality of life. It is among the oldest countries in Europe with a rich history, a lively culture, stunning beaches, and beautiful countryside.*

The Portugal Golden Residence Permit Program is a five-year investment-based residence process for non-EU nationals. Portugal is a full member of the EU, and residence allows visa-free access to Europe's Schengen area. The residence program requires a total of only 35 days' stay in Portugal during a five-year period. Six years as a resident creates eligibility to apply for citizenship. The program has three qualifying options:

Capital Contribution

- EUR 1 million transfer into a Portuguese bank account or a financial institution authorized to operate in Portugal
- EUR 500,000 towards the capitalization of a small- or medium-sized company
- EUR 350,000 to research activities that are part of the national scientific and technological system†
- EUR 250,000 to support artistic production for the recovery or maintenance of national cultural heritage†

Property Purchase

- A property purchase of a minimum value of EUR 500,000†
- A property purchase of a minimum value of EUR 350,000 for the refurbishment of properties older than 30 years or in an area of urban regeneration, including the costs of renovations†

Business

- Creation of a minimum of 10 new jobs†

† The qualifying financial amount for these selections will be reduced by 20% if taking place in a low population density area (defined as either having less than 100 inhabitants per kilometer squared or having a GDP per capita below 75% of the national average).

The procedures for residence applications are straight forward and compliance standards and due diligence are comparably high.

The Golden Residence Permit is valid for a period of one year after issue, and renewable for two subsequent periods of two years, equaling a total of five years for the program. There is then an option of another two-year extension or obtaining permanent residence status, contributing towards eligibility for a citizenship application after six years as a resident.

Residence Required	35 days during a 5-year period
Nature of Contribution	Capital transfer, various investment options, real estate, or business
Minimum Contribution	EUR 250,000 or creation of 10 jobs
Time to Citizenship	6 years

Portuguese

EUR

10,833,816**

USD 205.9 billion**

*The UN Development Programme Human Development Index ranks non-economic development, namely health, education and standard of living
**Source: CIA 'The World Factbook' 2017

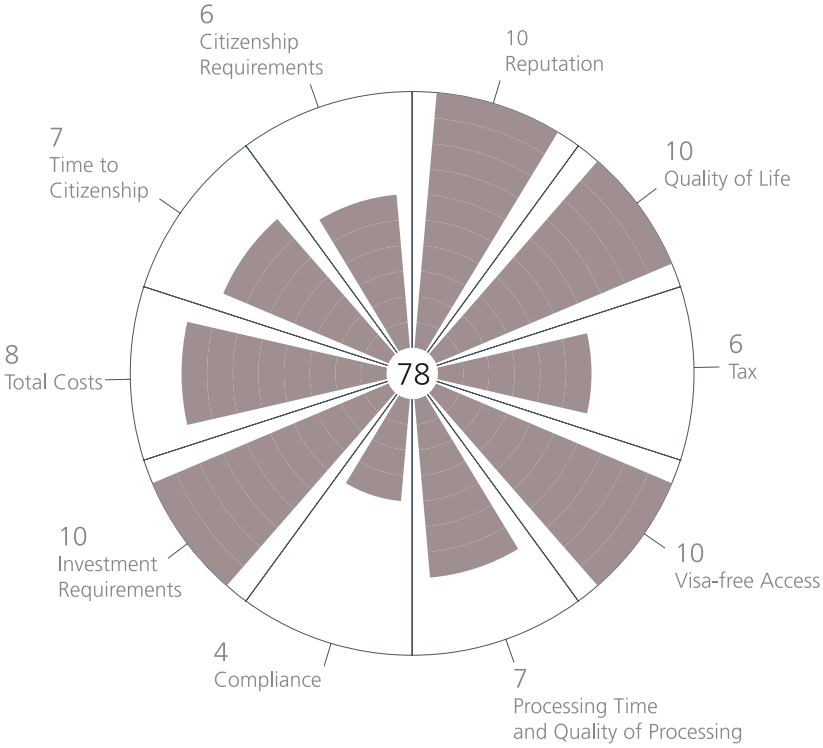


Figure 6. The total score for Austria on the GRPI is 78/100, ranking it 2nd out of 20 programs

2nd | Austria

Austria is one of Europe's wealthiest countries, offering a very high quality of life to its people. With a well-developed and stable economy, and breathtaking natural attractions, Austria makes for an outstanding place of residence. The country is famous as the homeland of many intellectuals, artists, and composers.

An Austrian residence permit allows you to travel to all Schengen states without the need for a visa. After 10 years of legal residence, and in certain circumstances after 6 years, it is possible to apply for Austrian citizenship. There are minimum application requirements.

Austria distinguishes between 10 different types of residence permit. These permits differ depending on: (i) whether the applicant is allowed to work in Austria or not; and (ii) whether the person is an employee or a self-employed person. Other permits exist for students and family members of persons who are already resident in Austria. For some of these permits, including those for persons of independent means, annual quotas apply that are implemented each year by decree. For all other residence permits, strict conditions have to be fulfilled.

The potential routes to residence include:

- Residence for Persons of Independent Means – under the category of Persons of Independent Means, the key criteria are that you have sufficient funds (you must be able to show liquid assets at your disposal of about EUR 40,000 per adult and EUR 10,000 per child below 18 years. These assets have to be proven in the form of a statement of account from an Austrian or major international bank). A university degree that is recognized in Austria or German language skills at A1 level, permanent accommodation in Austria, and health insurance that provides full cover in Austria are additionally required. Due to a strictly applied quota system, it is important to submit the application at the beginning of January each year in which the residence card is required
- Residence and Work Permit as a Key Manager – under the category of Key Manager, the main criteria are that you have been appointed as a manager of an Austria-based company and are employed at a minimum salary of EUR 2,500 per month. This corresponds to approximately EUR 800 per month in effective costs for taxes and social security contributions

The processing time for a residence permit can take up to 14 months. It is also possible to qualify for citizenship-by-investment — see the GCPI entry for Austria on page 86.

Residence Required	183 days per year
Nature of Contribution	Business, education, private residence
Minimum Contribution	None
Time to Citizenship	6 years

German	EUR	8,711,770*	USD 387.3 billion*

*Source: CIA 'The World Factbook' 2017

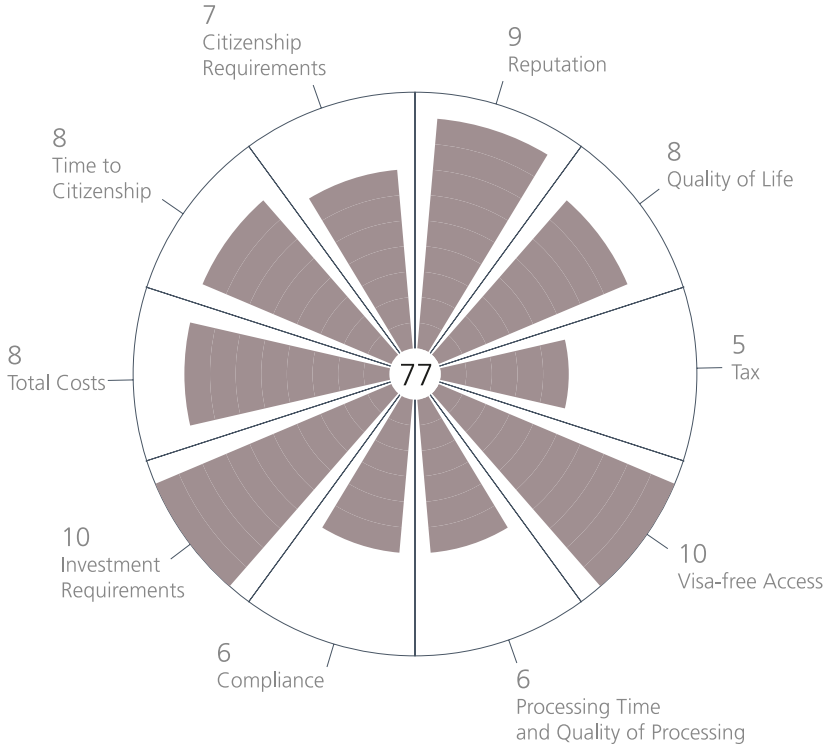


Figure 7. The total score for Belgium on the GRPI is 77/100, ranking it 3rd out of 20 programs

3rd | Belgium

One of the founding members of the EU, which has its headquarters in Brussels, Belgium is regarded as an important and highly reputable country in Europe. It is economically stable, boasting a central location, excellent transportation networks, and high-quality healthcare and education.

For entrepreneurs, self-employed individuals and investors, Belgium offers a path to residence status and eventually to acquiring Belgian citizenship after five years of legal stay.

A residence permit allows visa-free travel to Europe's Schengen area and can be obtained within a reasonable amount of time. With a case-by-case decision process, the visa and residence application process can take 3–12 months, depending on individual circumstances.

Various options are available, including the set-up of an international holding structure in Belgium, investment in an existing Belgian company, or investment in a foreign company through a Belgian holding company. A person who is employed by a Belgian company, or a person who sets up or buys a Belgian company, can apply for residence in Belgium, but it is critical to obtain a work permit first. More specifically, there are two main economic routes under which a person could qualify for residence, either as: (i) a manager or highly skilled employee; or (ii) an entrepreneur or self-employed individual. In order to qualify as a manager or highly skilled employee, the person must earn a yearly gross salary above a certain level as set by the Belgian authorities. Qualifying for this category of work permit would also entail a higher tax liability. A donation is not required for obtaining permanent residence.

Belgium also has attractive corporate and personal taxation systems. Special tax incentives also apply to particular categories, including intellectual property and shipping.

Compliance standards and due diligence processes are thorough; applicants must submit the usual documents and supporting evidence relevant to their particular permit category.

This positions Belgium as an excellent investment option within the GRPI. In general, the cost for obtaining residence may be attractive if one wants to physically live and work in Belgium.

Residence Required	Yes
Nature of Contribution	Business
Minimum Contribution	None
Time to Citizenship	5 years

Flemish, French

EUR

11,409,077*

USD 470.2 billion*

*Source: CIA 'The World Factbook' 2017

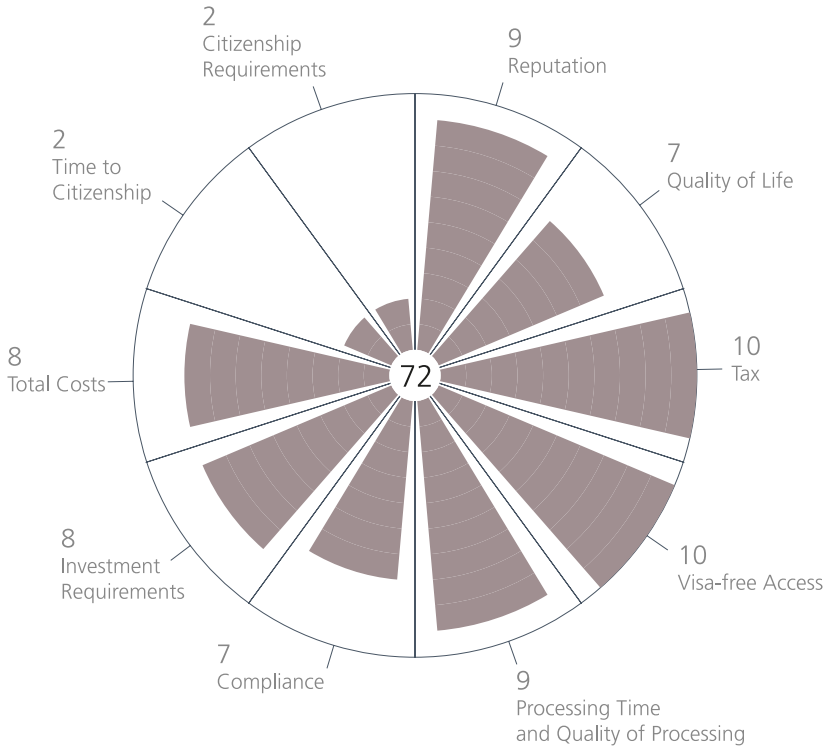


Figure 8. The total score for Malta on the GRPI is 72/100, ranking it 4th out of 20 programs

4th | Malta

Malta has been a member of the EU since 2004 and is a neutral and highly respected country. Located in the middle of the Mediterranean Sea, the Maltese archipelago has risen to be one of Europe's leading investment locations, driven by its reputation for stability, predictability and security.

A very attractive location for private residence, the island nation of Malta enjoys a stable political climate and is strategically located with excellent air links. The Malta Residence and Visa Program (MRVP) offers non-Maltese persons the possibility of acquiring an EU residence card, which offers visa-free travel within the Schengen area.

The main applicant must be at least 18 years of age to qualify and must provide an affidavit declaring that from the date of the application they have an annual income of no less than EUR 100,000, or have in their possession capital of no less than EUR 500,000. The following investment options apply to meet the application requirements:

- Purchase of government bonds of EUR 250,000 to be held for a minimum period of five years
- A property purchase of EUR 320,000 (EUR 270,000 in South Malta or Gozo) to be held for a minimum period of five years
  OR
  A property lease of EUR 12,000 per annum (EUR 10,000 in south Malta or Gozo) to be leased for a minimum period of five years. Once the five years have elapsed, a suitable property needs to be held in order to renew the residence permit
- A non-refundable government contribution of EUR 30,000 and, where applicable, EUR 5,000 per parent or grandparent of the main applicant or of the spouse paid in accordance with these regulations

The main applicant and any dependents must have a clean personal background with no criminal record, must be in good health with full medical insurance valid throughout the EU, and worth at least EUR 30,000 per family member.

The MRVP application requirements and procedures are reasonable and straightforward. The application is submitted to the government agency responsible for the applications, Identity Malta, with a non-refundable deposit of the contribution amount in the sum of EUR 5,500. After stringent due diligence checks, successful applicants will be requested to complete the qualifying investments and will then be issued a residence permit. No minimum presence is required.

The permit will be monitored annually for the first five years from its issue, and every five years thereafter.

Total costs are moderate compared to other residence programs on the GRPI. For the citizenship-by-investment route, refer to the Malta Individual Investor Program (MIIP), designed and operated by Henley & Partners, under the GCPI on page 82.

Residence Required	None
Nature of Contribution	Investment, contribution, and real estate purchase or rental
Minimum Contribution	EUR 330,000
Time to Citizenship	6 years, unless under the MIIP


Maltese, English


EUR


415,196*

USD 10.49 billion*

*Source: CIA 'The World Factbook' 2017

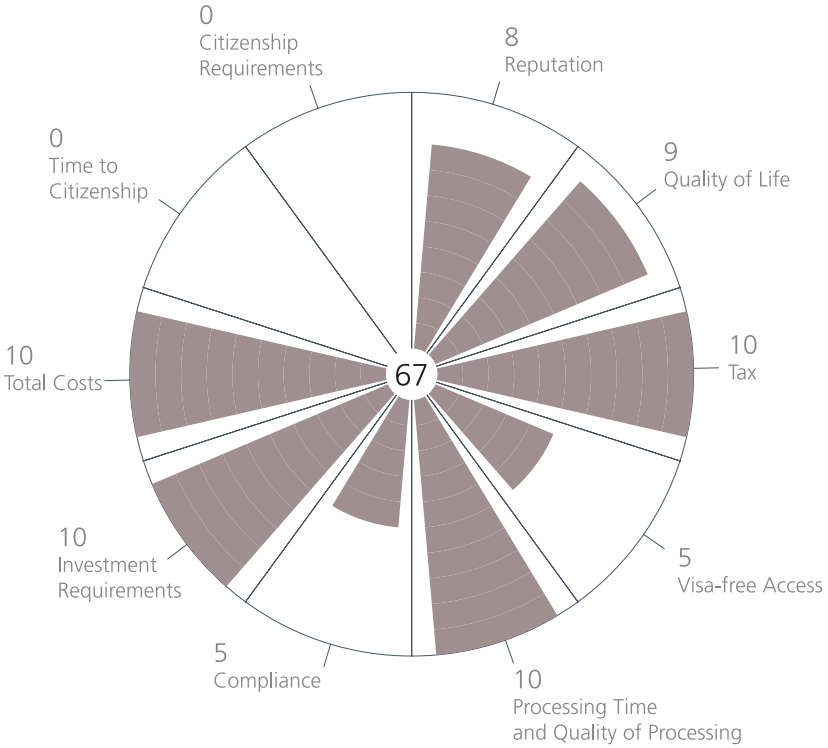


Figure 9. The total score for Thailand on the GRPI is 67/100, ranking it 5th out of 20 programs

5th | Thailand

Thailand is a sought-after destination in Southeast Asia. Offering an affordable and high standard of living, Thailand's attractions include spectacular ancient ruins, scuba-diving sites, tropical islands, an exciting nightlife, palaces and Buddhist temples, and several UNESCO World Heritage Sites.

The Thailand Elite Residence Program offers applicants the right to live in the country for up to 20 years along with access to privileged services and VIP benefits. To receive the Thailand Elite residence visa, foreigners must join Thailand Elite, an exclusive program offered by Thailand Privilege Card Company Limited (TPC).

The program was initiated in 2003 to attract wealthy global citizens who wish to spend extended periods of time in the country and take advantage of its beneficial tax regime and affordable but high standard of living.

The Thailand Elite Residence Program offers seven options, of which the following three are most popular:

- **Elite Ultimate Privilege** – a 20-year residence visa for a once-off fee of approximately USD 60,000 plus an annual fee of approximately USD 600. This program includes exclusive VIP express airport services and lounge access, unlimited short-haul airport transfers for international flights, government concierge services, and hospitality services for golf, spa treatments, and an annual health check
- **Elite Privilege Access** – a 10-year residence visa designed for family applications. The once-off fee is approximately USD 30,000 for the main applicant and USD 22,500 for each dependent. There is no annual fee. The program includes VIP express airport services, transport services, government concierge services, and an annual health check
- **Elite Easy Access** – a five-year residence visa allowing expats or business people to enter Thailand regularly and easily during the period. This option requires payment of a once-off fee of approximately USD 15,000, and there is no annual fee. The Elite Easy Access residence visa can be upgraded to the Elite Ultimate Privilege option for approximately USD 45,000

TPC provides an efficient application process for residence: in less than one month a visa will be issued and may be collected from a designated international airport in Thailand. Once collected, applicants may stay or reside in Thailand for as long as they desire under the terms of their chosen package. However, applicants must notify TPC if they stay in the country for a continuous period of more than 90 days.

The residence visa obtained through the Thailand Elite Residence Program does not lead to permanent resident status or citizenship. Permanent residence can only be obtained when an individual has had a Thai non-immigrant visa for at least three years prior to the submission of their application. It is possible to apply for citizenship after holding permanent resident status in Thailand for 10 consecutive years.

Residence Required	None
Nature of Contribution	Single fee
Minimum Contribution	USD 15,000
Time to Citizenship	13 years

Thai	THB	68,414,135*	USD 406.8 billion*

*Source: CIA 'The World Factbook' 2017

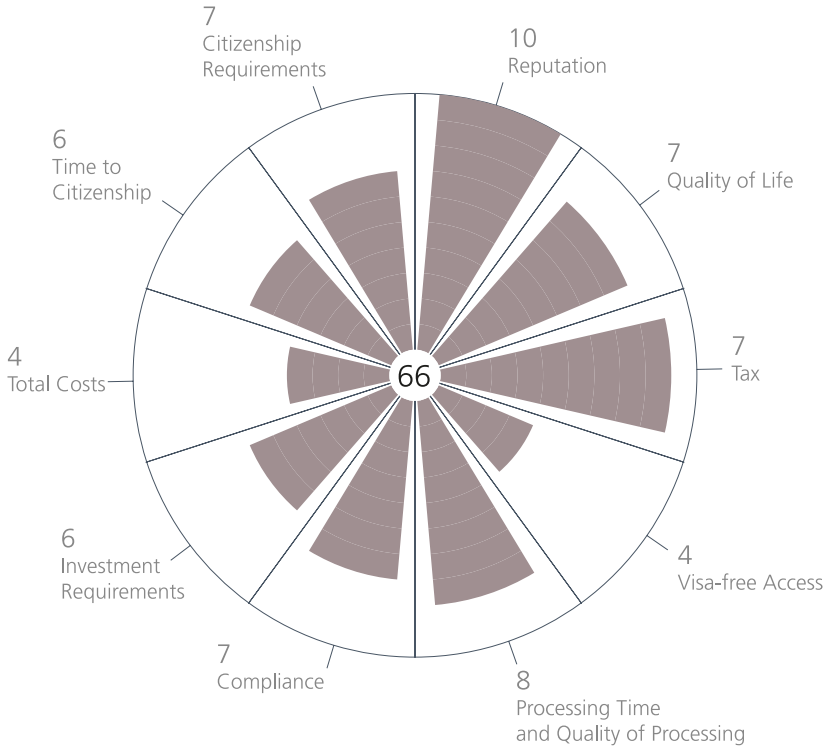


Figure 10. The total score for the UK on the GRPI is 66/100, ranking it 6th out of 20 programs

6th | United Kingdom

The UK has long been an important world power, both economically and politically. London is the financial capital of the world, offering an international business environment. The UK is also renowned for having some of the best educational institutions in the world, and an open, international culture.

The Tier 1 (Investor) visa requires an individual to make a substantial financial commitment in the UK. In order to qualify, the applicant must have held no less than GBP 2 million under their control for three months in advance of the initial application.

Within three months of entry to the UK, the applicant is required to commit at least GBP 2 million, which must be maintained throughout the period until permanent residence is achieved. The applicant must purchase UK government bonds, corporate bonds, or share capital/loan capital in active and trading UK-registered companies other than those principally engaged in property investment. Investment in offshore companies is not permitted. The investment must be maintained for five years. For the initial application, the applicant is not required to show business experience or the ability to speak English.

Before the expiry of the initial visa, the applicant and dependent family members must apply for an extension of stay. The UK government will grant a two-year extension if the applicant has maintained the required investment throughout the term.

The UK expects the applicant to make the UK their main home by spending more time in the UK than elsewhere. Up to a maximum of 180 days in each of the 12 calendar month periods preceding the date of application for settlement may be spent outside the UK.

From a tax perspective, the UK presents an attractive base for wealthy individuals and families. A special tax regime is available to those who are not domiciled in the UK, whereby only income arising in the UK or remitted to the UK is taxable.

The UK program offers fast investment migration application processing, with no business or management experience required. The entry criteria are very objective, and the application outcome is predictable.

Citizenship is available after a minimum physical residence of five years, with specific restrictions as to the time allowed out of the country, but with minimal other additional requirements. The UK offers a great quality of life for its residents and is one of the most attractive places in the world both as a business location and as a place for private residence.

Residence Required	185 days per year
Nature of Contribution	Investment for 5 years
Minimum Contribution	GBP 2 million
Time to Citizenship	5 years


English


GBP


64,430,428*

USD 2.65 trillion*

*Source: CIA 'The World Factbook' 2017

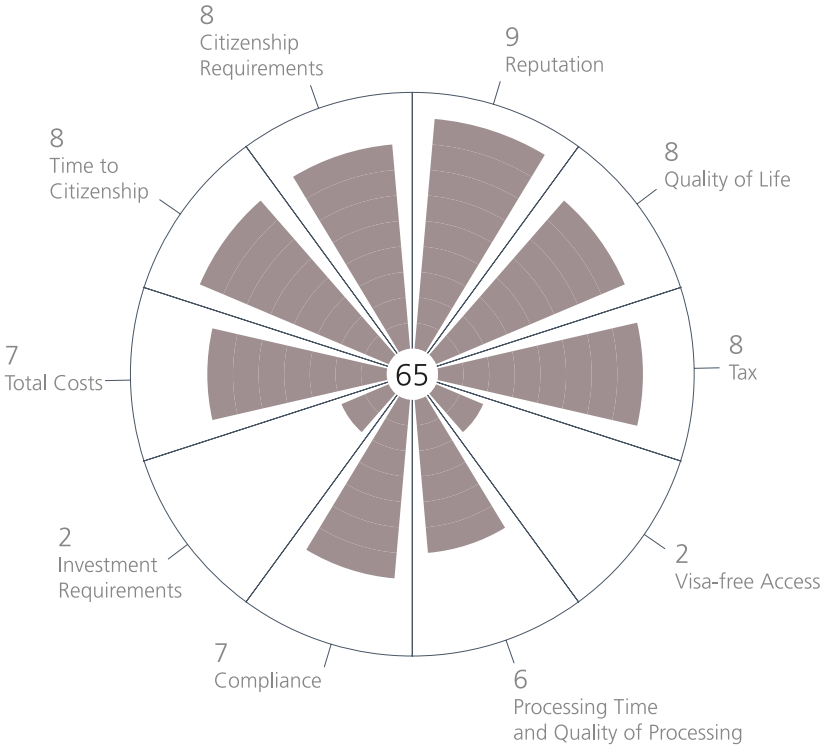


Figure 11. The total score for Australia on the GRPI is 65/100, ranking it 7th out of 20 programs

7th | Australia

Australia is one of the wealthiest countries in the world, and has an excellent reputation. It is a developed, multicultural country with a very high Human Development Index, and offers its people an excellent quality of life, health, education, economic freedom, and the protection of civil liberties and political rights.*

The immigration system is objective and merits-based, with predictable outcomes. Permanent residents are required to spend at least two years in five in the country, or demonstrate significant ties to Australia, in order to maintain their residence status.

There are five main streams under the 'Skilled – Investment/Entrepreneurial' program:

- **Business Innovation Stream** – applicants must pass a points test, have a successful business career with a business turnover of at least AUD 500,000 and net assets of AUD 800,000. They must obtain and maintain substantial ownership and management of an Australian business
- **Investor Stream** – applicants must pass a points test, have three years' investment experience, make a designated investment of AUD 1.5 million into an Australian state or territory bond for four years and have net assets of AUD 2.25 million
- **Significant Investor Stream** – applicants must invest at least AUD 5 million into a complying Australian investment for at least four years
- **Business Talent (Significant Business History Stream)** – applicants must own or part-own a business with a turnover of at least AUD 3 million per year. The applicant must pass a points test, have a successful business career and have net assets of AUD 1.5 million. They must make a substantial investment into a new or established business in Australia and take an active role in managing the business
- **Business Talent (Venture Capital Entrepreneur Stream)** – applicants must have sourced AUD 1 million in venture capital funding to fund the start-up or product commercialization of a high-value business idea in Australia and must establish (or participate in) that business

Streams 1–3 offer a direct pathway to permanent residence after four years, subject to meeting certain residence and investment/business turnover requirements. Streams 4 and 5 offer direct permanent residence and applicants must quickly become involved in the relevant business.

Australia has relatively high tax burdens in comparison with other countries in the GRPI, and an Australian permanent resident does not enjoy many visa-free travel privileges. Due diligence and compliance checks performed on applicants are considerably more onerous than those of other residence programs; however, minimal additional conditions are required for citizenship.

Residence Required	2 years in a 5-year period
Nature of Contribution	Investment or business
Minimum Contribution	Business turnover of AUD 500,000 and net assets of AUD 800,000
Time to Citizenship	4 years of permanent residence


English


AUD


22,992,654**

USD 1.257 trillion**

* The UN Development Programme Human Development Index ranks non-economic development, namely health, education and standard of living
**Source: CIA 'The World Factbook' 2017

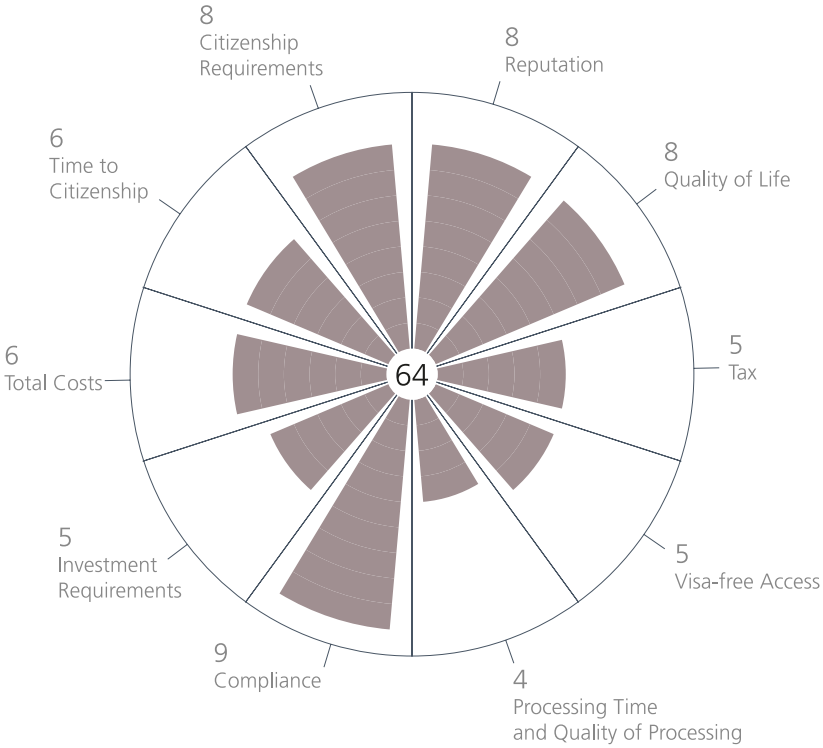


Figure 12. The total score for the US on the GRPI is 64/100, ranking it 8th out of 20 programs

8th | United States

The US is the third largest country on the globe, and has been the leading economic and military power for the last century. Its GDP accounts for nearly a quarter of the world's total. The US offers a wide range of choices in lifestyle, culture, geography, and climate.

The US remains one of the most desired destinations for migrants and investors from all over the world. The EB-5 Immigrant Investor Program offers an efficient route to permanent resident status (a Green Card) within a short period of time.

The EB-5 Immigrant Investor Program requires that a foreign individual invests USD 1 million (or USD 500,000 if the investment is made in a rural area or an area with high unemployment) into a new commercial enterprise, and create 10 new full-time jobs. Funds must stay invested and be at risk for at least five years from the issuance of the Green Card.

A certain number of visas are set aside for the Regional Center Program. Under this program, applicants invest USD 500,000 into a designated project, and rely on indirect job creation equivalent to 10 jobs rather than directly hiring 10 employees. The investment is managed by the regional centers, therefore the applicant does not have to live where the project is and is free to live and work anywhere in the US.

There are no requirements as to age, language or past business experience in order to qualify. Applicants must have a net worth in excess of USD 1 million and proof must be provided that their funds come from legal sources. They must have the intention to reside in the US to maintain their Green Card. The best approach is to remain physically in the US for at least 180 days per year and to create ties with the US.

US citizens and residents holding a Green Card are subject to tax on their worldwide income, regardless of how much time they actually spend in the US. Taxes are levied at both federal and state levels. In general, the US tax system is onerous and complicated, with comprehensive reporting requirements.

Permanent residents are allowed to settle anywhere in the US, but they are limited in their visa-free travel options when compared to other countries. To be eligible for citizenship, a person must have lived continuously in the US for five years without leaving for trips of six months or longer. Other than a civics test, minimal additional conditions are required to obtain citizenship.

Residence Required	2.5 years in a 5-year period
Nature of Contribution	Investment
Minimum Contribution	USD 500,000
Time to Citizenship	5 years

English, Spanish

USD

323,995,528*

USD 18.56 trillion*

*Source: CIA 'The World Factbook' 2017

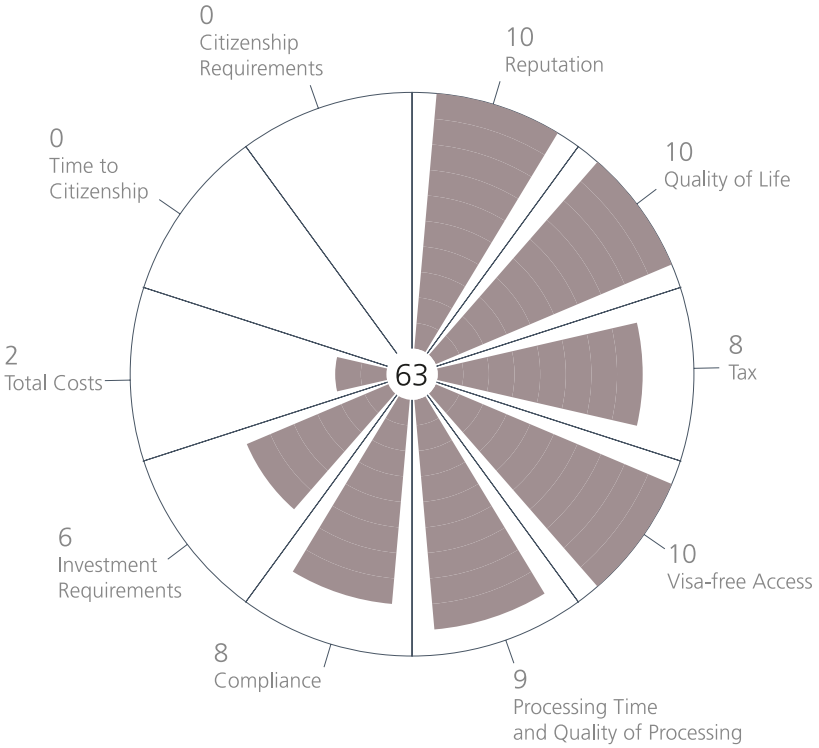


Figure 13. The total score for Switzerland on the GRPI is 63/100, ranking it 9th out of 20 programs

9th | Switzerland

Switzerland offers an excellent quality of life to its residents and ranks amongst the top countries in which to live. It is home to a large number of international organizations and boasts a multicultural and multilingual society in a politically and economically stable environment.

The Swiss taxation system is consistent with the country's reputation as a center of international trade and finance. A flat rate tax (Forfait Fiscal) is available for qualifying foreign citizens, regardless of worldwide income, with minimum charges depending on different cantons and other factors; however, the flat rate is not applicable in all cantons.

Residence in Switzerland gives visa-free access to Europe's Schengen area. EU/EFTA nationals can obtain a residence permit easily if they have an employment agreement with a Swiss employer, if they become self-employed in Switzerland, or they can prove that they are financially independent with sufficient income or wealth to cover their living costs.

The procedures for non-EU/EFTA citizens applying for Swiss residence are complex, as applications are administered at canton levels as well as at the federal immigration department; however, there are no minimum investment requirements. The typical processing time for applications is two to four months, depending on the canton and on individual circumstances. Total costs for a Swiss residence permit for non-EU/EFTA citizens are high compared to other countries on the GRPI. There are four main routes:

- A foreign national may acquire a residence and work permit to become gainfully employed in Switzerland if their Swiss employer can prove that they are indispensable for a specific function in the company, that they possess the relevant qualifications for this function, and that no suitable candidate can be found on the Swiss and European labor markets
- If a foreign national establishes and is employed by a company in Switzerland in a senior position, generally a residence and work permit will be issued under the scope of the economic promotion program
- To obtain a permit as a retired person, the foreign national must be at least 55 years old, show close ties with Switzerland and have sufficient funds
- Financially independent persons who are not gainfully occupied in Switzerland, but who agree to pay a certain minimum in net annual taxes, can usually acquire a residence permit regardless of their age. This is provided granting of residence to a potential taxpayer is considered as being in the 'fiscal interest' of the canton of residence

Citizenship is very difficult to acquire in Switzerland. A minimum residence time of 10 years is mandated in addition to other requirements.

Residence Required	None
Nature of Contribution	Employment, tax commitment or self-sufficiency
Minimum Contribution	None
Time to Citizenship	10 years

German, French, Italian

CHF

8,179,294*

USD 662.5 billion*

*Source: CIA 'The World Factbook' 2017

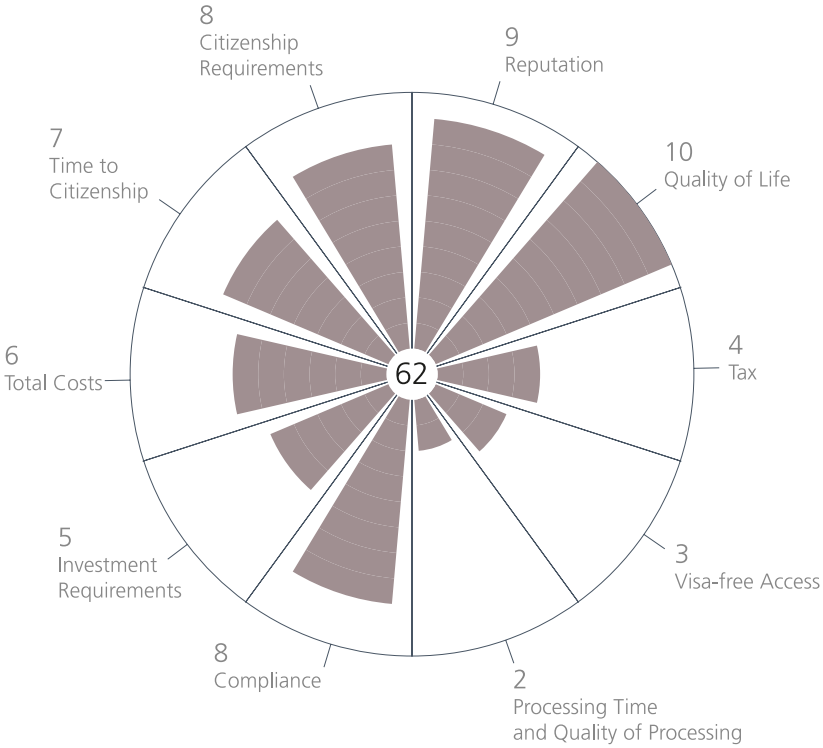


Figure 14. The total score for Canada on the GRPI is 62/100, ranking it 10th out of 20 programs

10th | Canada

Canada is frequently voted as one of the best countries in the world in which to live. It is well known for its high standard of living, a clean environment, a low crime rate and excellent infrastructure. Canada is the world's second largest country in total area, with breathtaking physical geography and multicultural, tolerant and vibrant cities.

There are several ways to become a permanent resident in Canada and each program has a different set of conditions. Three key programs are:

- **The Quebec Immigrant Investor Program (QIIP)** – for business applicants who want to make a passive investment in Quebec province
- **The Federal Start-Up Visa Program** – the first of its kind in the world, linking immigrant entrepreneurs with private sector organizations that have expertise in working with start-ups
- **The Provincial Nominee Program (PNP)** – which can nominate a specific person who wants to settle and work in a specific province or territory based on employment or a business investment

Under the QIIP, the main applicant must prove a minimum net worth of at least CAD 1.6 million and invest CAD 800,000 in a Quebec government bond for five years. The main applicant must prove business experience or management in at least two of the last five years. Knowledge of English or French is an asset. The QIIP currently accepts a maximum of 1,900 applications per year, with a cap of 1,330 for Chinese nationals.

Applicants for the Federal Start-Up Visa must be successful and proven entrepreneurs with at least one year of post-secondary education and language competency in English or French. The program links the applicant with private sector organizations who are able to provide funding and guidance on establishing and operating a business in Canada. The exact amount of the financial contribution will vary.

The requirements of the PNP vary from province to province. For example, the minimum capital requirement ranges from CAD 150,000 in Nova Scotia to CAD 1 million in Ontario. The main applicant needs to have business or senior management experience and must actively manage their business in Canada.

Canada taxes residents on their worldwide income. Application processing times differ depending on category, and there are extensive compliance and due diligence procedures. Strict physical presence is required to qualify for citizenship: a resident must spend 1,095 days in Canada within a five-year period and have an adequate knowledge of either English or French.

Residence Required	2 years in a 5-year period
Nature of Contribution	Investment or employment
Minimum Contribution	None
Time to Citizenship	6 years

English, French

CAD

35,362,905*

USD 1.532 trillion*

*Source: CIA 'The World Factbook' 2017

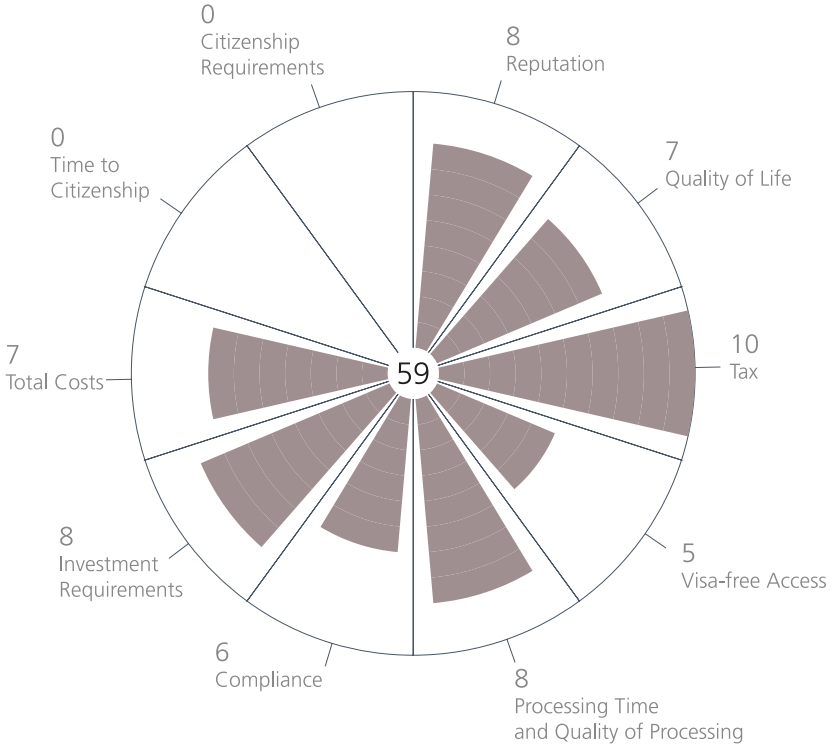


Figure 15. The total score for Dubai/UAE on the GRPI is 59/100, ranking it 11th out of 20 programs

11th | Dubai/UAE

The UAE is an important country in the Arab Gulf and offers modern infrastructure, transport and communications. It is an excellent place to do business with, easy access to the Middle East region. Dubai is the second largest city of the seven Emirates and ranks as the UAE's most important port and commercial center.

Many initiatives have been taken to expand Dubai's strength in innovation and entrepreneurship while creating an area dedicated to progress in the fields of art, culture and education. The country maintains a good quality of life for its residents. Citizens and residents of the UAE are not subject to personal income tax, capital gains taxes, or net worth taxes; however, VAT will apply from 2018 on.

No general minimum investment is required for a UAE Residence Permit, but the establishment of a company in the UAE is key. Once the company has been fully set up and is in possession of the relevant trade license, the time frame for the process is usually one to two months.

In general, the total cost for obtaining residence in the UAE is reasonable when compared to other countries in the GRPI. Foreigners are not eligible for UAE citizenship; naturalizations are extremely rare and granted only in absolutely exceptional circumstances.

Particularly in Dubai, many different Free Zones have been established, which allow foreign persons and entities to apply for permits to conduct their business, and establish companies and buy property, subject to licensing requirements. A different license fee is payable every year and office space must be rented or bought in the relevant Free Zone.

Each Free Zone is governed by an independent Free Zone Authority, which issues the licenses, as well as the residence visas/permits for the employees of the relevant companies. The nature of commercial activity that will be carried out normally dictates which Free Zone should be used. Free Zone Establishments and Free Zone Companies have differing minimum share capital requirements depending on the Free Zone of incorporation, and also have to pay annual license fees.

Once the applicant has an entry visa, they must travel to the UAE, apply for an ID card, and pass a series of medical checks. Once approved, residence permit holders may settle in any of the seven emirates and must ensure that no more than six consecutive months are spent outside the UAE.

Residence Required	No more than 6 consecutive months spent outside the UAE
Nature of Contribution	Business or property purchase
Minimum Contribution	None
Time to Citizenship	Not available

Arabic, English

AED

5,927,482*

USD 375 billion*

*Source: CIA 'The World Factbook' 2017

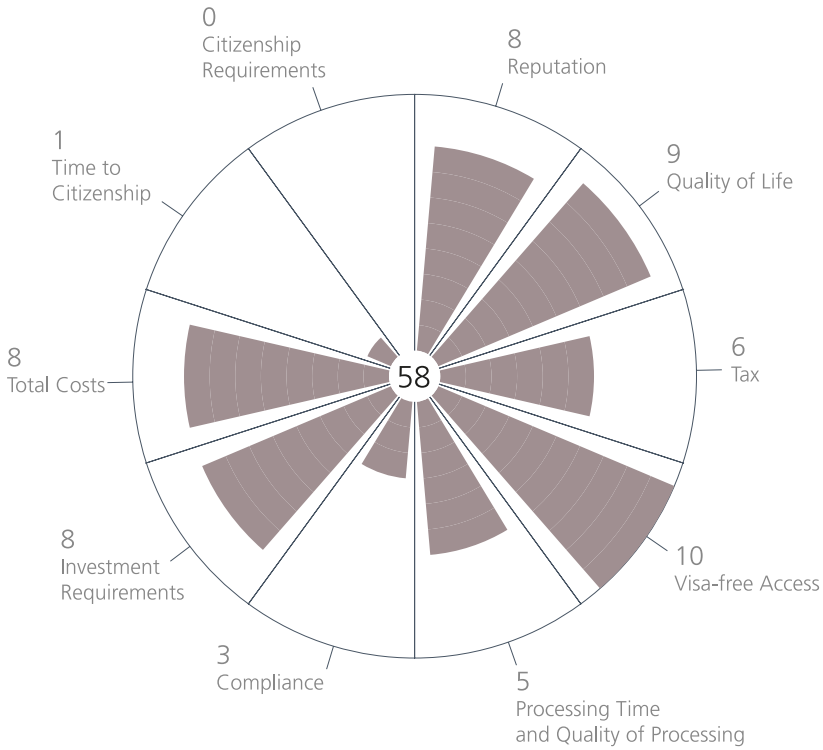


Figure 16. The total score for Spain on the GRPI is 58/100, ranking it 12th out of 20 programs

12th | Spain

Spain has one of the most important economies in Europe and is a full member of the EU. It is a vibrant country with rich history, culture, and traditions, boasting a wide variety of beautiful landscapes and an excellent quality of life.

A Spanish residence permit provides visa-free travel to Europe's Schengen area. Spain also offers attractive corporate and private taxation schemes to its residents.

The key concept of the program is to allow a foreigner who wishes to enter Spanish territory to make a significant investment and thereafter apply for an investor visa. A residence permit is obtainable through investment in one of the following options:

- The acquisition of real estate with a minimum value of EUR 500,000 per applicant
- The creation of a business project to be developed in Spain, duly recognized as being of 'general interest'
- Commitment of a minimum of EUR 2 million to government bonds or EUR 1 million in an active company's shares or bank deposits

Documentary evidence of the investment must be provided as an integral part of the visa process. The initial application can only be made at a Spanish diplomatic or consular post. Once the application is filed, the applicant will be notified of the result within 10 working days. The initial investor residence visa is valid for one year and, subject to compliance, will subsequently be converted into a residence permit for two periods of two years.

The conversion of the one-year visa into a residence permit requires the applicant to be present in Spain, and the permit must be granted within 20 working days of the application.

There are no minimum day count requirements to maintain residence status in Spain, but the permit holder must travel at least once to Spain during the period preceding each renewal. A resident may apply for citizenship only in the 10th year, which is comparatively lengthy, and dual citizenship restrictions apply to foreign nationals from most countries.

Non-residents are taxed in Spain only on Spanish-sourced income, in accordance with applicable Tax Treaty provisions. Taxation will depend on the nature of the income obtained and on the tax residence status of the investor. Low tax rates may apply for dividends, interest and royalties of investors from countries that hold a tax treaty with Spain, while capital gains may be tax exempt or taxed at 21%.

Compliance and due diligence standards are less strict than other countries in the GRPI.

Residence Required	One visit
Nature of Contribution	Investment, real estate or business
Minimum Contribution	EUR 500,000
Time to Citizenship	10 years

Spanish

EUR

48,563,476*

USD 1.252 trillion*

*Source: CIA 'The World Factbook' 2017

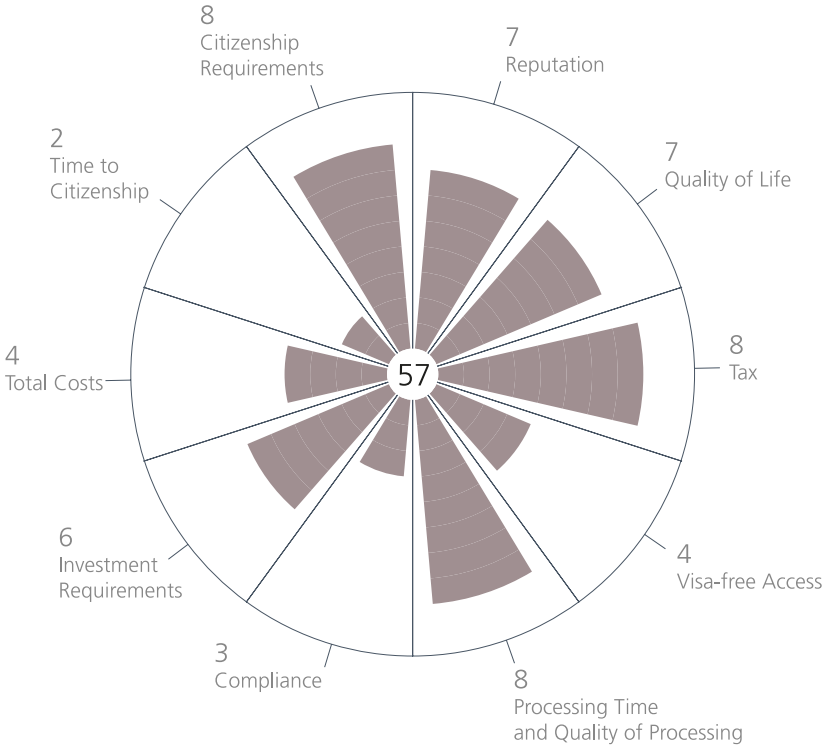


Figure 17. The total score for Jersey on the GRPI is 57/100, ranking it 13th out of 20 programs

13th | Jersey

Jersey is the largest of the Channel Islands, enjoying an excellent location and lifestyle between Britain and France. It has a stable economy, an attractive tax system, and makes an idyllic place to raise a family. Its residents have a high European standard of living, and there are excellent flight connections.

From a tax perspective, the island is popular for its low income tax and estate duties. The application procedures in Jersey are extremely efficient and the entire application process can normally be completed within a time frame of as little as one month, unless additional information is required.

The purchase and occupation of residential real estate in Jersey is controlled by the government, through its Housing Committee. Fundamentally, only persons possessing Jersey housing qualifications are granted consent to purchase property. It is possible, however, for high net worth individuals to obtain a license, namely 2(1)E, which derives its name from Jersey's current housing law.

To achieve High Value Residency (HVR) status and be eligible to purchase property in Jersey, the prospective applicant must make a major contribution to the island's tax revenues; at the present rates of tax, the annual tax contribution would be in the region of GBP 125,000, calculated on a sliding scale based on 20% of the first GBP 625,000 of worldwide income and 1% on all income thereafter. Applicants are required to provide documentation in support of their application to take up residence in Jersey, evidencing sufficient capital wealth in order to produce in excess of GBP 125,000 in tax revenues for the island.

Once HVR status has been granted, the applicant may apply for consent to purchase a property and will be granted the same status as other residentially qualified islanders. They can be employed and employ, and set up their own business on the island, and will be expected to purchase a single residential property worth in excess of GBP 1.75 million.

Jersey is a low tax jurisdiction, and derives its income principally from income tax, excise and duties. No taxes are levied upon capital, capital gains, inheritances, gifts, sales or turnover; nor are there any estate duties.

The regulations for citizenship are the same as in the UK, and the British government is responsible for administering the laws covering British citizenship through the British Nationality Act 1981, which also applies to Jersey.

Residence Required	More time spent in Jersey than anywhere else
Nature of Contribution	Tax contribution
Minimum Contribution	None
Time to Citizenship	5 years


English


GBP


98,069*

USD 4.829 billion*

*Source: CIA 'The World Factbook' 2017

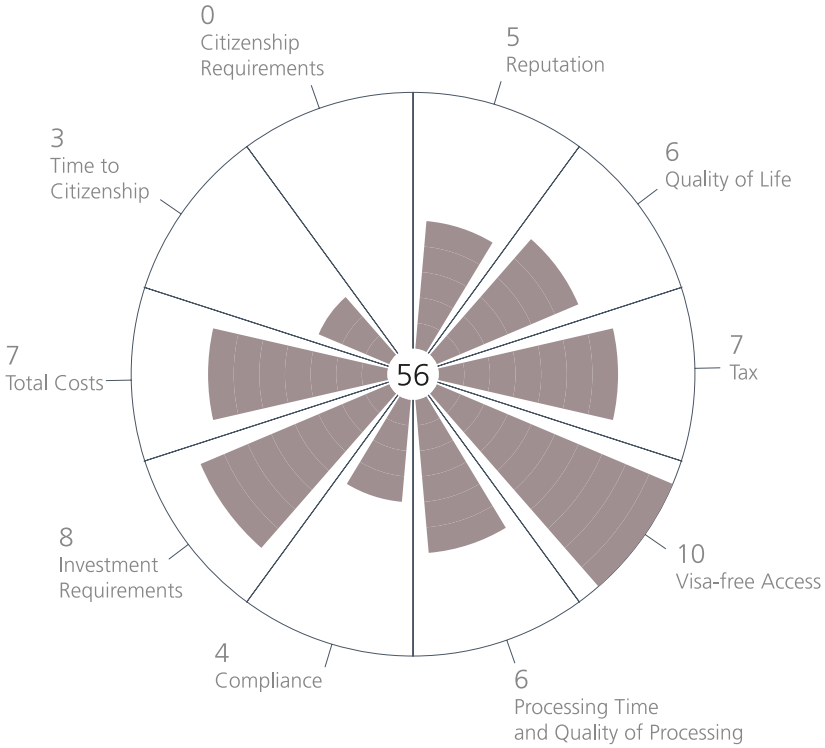


Figure 18. The total score for Latvia on the GRPI is 56/100, ranking it 14th out of 20 programs

14th | Latvia

Latvia is a Schengen-area country situated on the Baltic coast. Riga, its capital, was founded in 1201 and is a UNESCO World Heritage Site. Forests cover approximately half of Latvia's territory, offering many nature trails and parks. Latvia offers excellent transport and cultural links with Russia.

The Latvia Residence-by-Investment Program was launched on 1 July 2010. Foreign nationals may apply for a residence permit in Latvia through one of the following options:

- Acquisition of real estate with a minimum value of EUR 250,000, plus a lump-sum payment of a government fee of 5% of the property value
- Investment of EUR 35,000 into equity capital of a Latvian company (provided that the company annually pays at least EUR 40,000 in taxes), or investment of EUR 150,000 into equity capital without any tax liabilities
- Investment of EUR 280,000 in a subordinated loan (deposit) in one of the Latvian banks, plus a lump-sum payment of a government fee of EUR 25,000
- Acquisition of interest-free government bonds determined for a special purpose to the value of EUR 250,000, plus a lump-sum payment of EUR 25,000 to the state budget

The investor should also demonstrate the availability of funds (EUR 12,960 per year for a single principal applicant, EUR 17,280 per year for a principal applicant and spouse, EUR 19,872 per year for a married couple with one child), to ensure the family's quality of life without having to seek social assistance from the Latvian government.

The processing of documents takes approximately 30–90 days. The investor must visit Latvia within three months of approval to collect their temporary residence permit in person. The residence permit is valid for five years, and the ID card must be renewed annually. There is no minimum number of days of physical presence in Latvia required in order to renew the residence permit.

After holding the residence permit for five years, the applicant may apply for a permanent residence permit. They must have resided in the country for four out of the five years, and have passed a Latvian language test and have a proven knowledge of the general history of Latvia and the national anthem.

When compared to other countries on the GRPI, Latvia's taxes are very low. It is possible to apply for citizenship in Latvia after 10 years of legal residence in the country. Due diligence and compliance standards are less strict than for similar residence programs in other European countries.

Residence Required	None
Nature of Contribution	Investment or real estate
Minimum Contribution	EUR 35,000
Time to Citizenship	10 years

Latvian, Russian	EUR	1,965,686*	USD 25.02 billion*

*Source: CIA 'The World Factbook' 2017

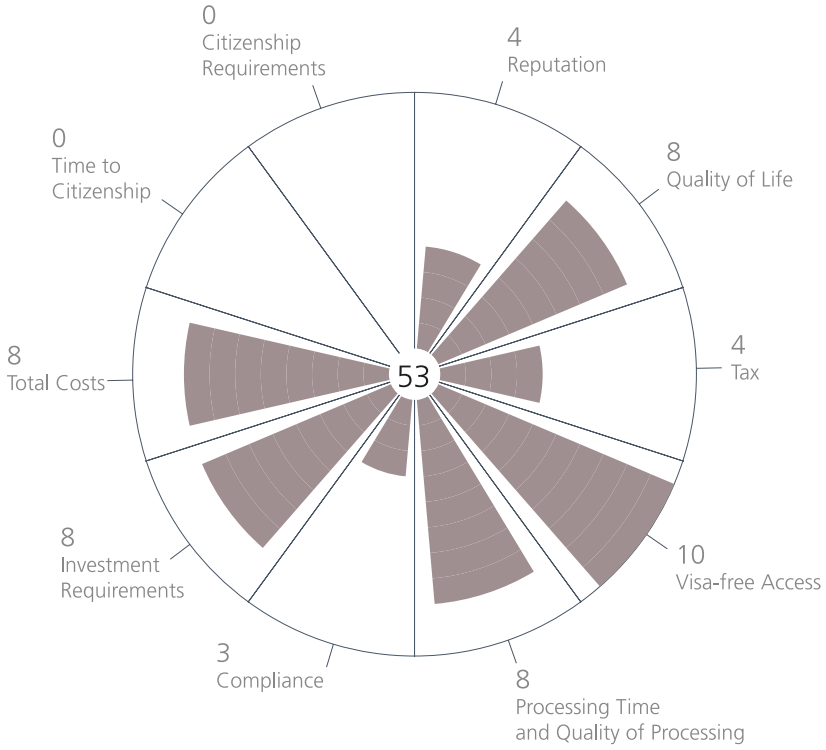


Figure 19. The total score for Greece on the GRPI is 53/100, ranking it 15th out of 20 programs

15th | Greece

Greece is a strategically located country at the crossroads of Europe and Asia. It is known for its charm and beauty, and is the birthplace of democracy, Western philosophy, the Olympic Games, and major scientific and mathematical principles. Greece offers a good quality of life to its residents.

In 2013, Greece launched its Golden Visa Programme. In return for an investment in real estate, a five-year residence permit is granted which is renewable every five years, conditional upon the initial qualifying investment continuing to be held or an alternative qualifying real estate investment of the same value. No physical residence is required, and the real estate investment can be sub-let. The permit also grants the applicant the right to establish a business in Greece.

Under the application process, an applicant must first apply for a national category D visa for permission to enter Greece, or hold a valid Schengen visa, in order to make the real estate investment and then apply for the residence permit. The D visa is issued at a Greek consulate or embassy in the applicant's home country. It usually takes 5–10 days, and the applicant is then requested to appear for an interview. Upon granting of the national D visa, the applicant must purchase a property or properties to a total value of at least EUR 250,000, or fund a lease or timeshare agreement with a minimum 10-year duration, and start the permanent residence procedure within 90 days of first entry into Greece.

Once the funds have been committed, the application process can vary in duration from one to three months, depending on the location of the property and therefore the regional office responsible for processing. Due diligence processes are less strict compared to other countries on the GRPI. There is no minimum period of ownership and the investment can be held in a company name subject to 100% ownership of the share capital.

The purchase of a single or multiple properties to a value of at least EUR 250,000 is competitive when compared with other investment programs on the GRPI, and the program provides flexibility in the type of real estate purchase made. Holders of the Golden Visa may apply for Greek citizenship following a period of seven years' lawful residence in Greece, subject to meeting the legal requirements, which include considerable time being spent in Greece and a language test.

Residence Required	None
Nature of Contribution	Real estate
Minimum Contribution	EUR 250,000
Time to Citizenship	7 years

Greek	EUR	10,773,253*	USD 195.9 billion*

*Source: CIA 'The World Factbook' 2017

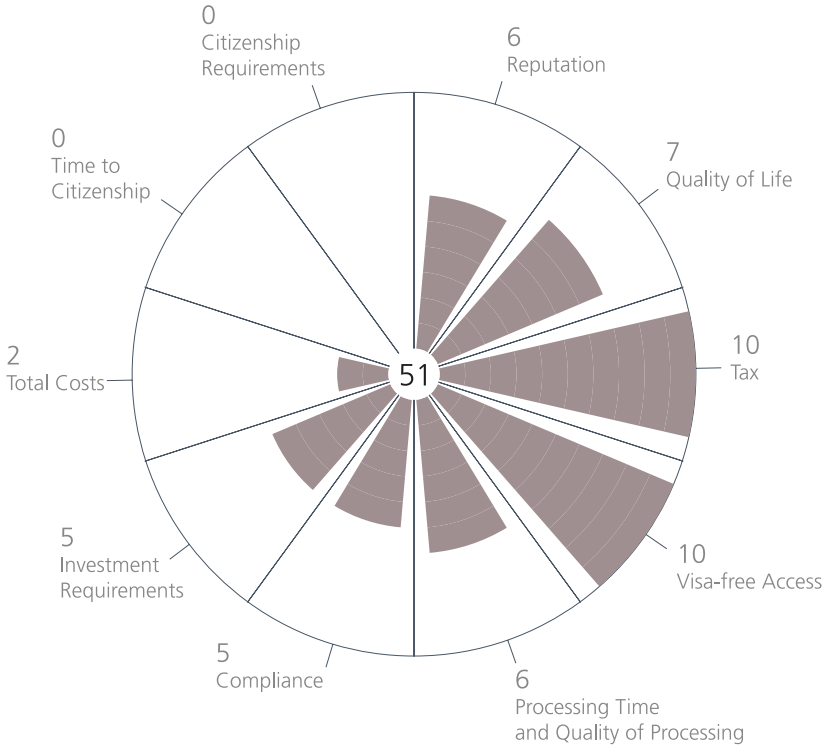


Figure 20. The total score for Monaco on the GRPI is 51/100, ranking it 16th out of 20 programs

16th | Monaco

Located on the Mediterranean Sea with France as its only neighbor, the Principality of Monaco is the second smallest country in the world after the Vatican City. Monaco offers a high standard of living with temperate weather, a high level of personal security, modern and efficient infrastructure, and an absence of income/capital gains tax.

The Principality is an independent sovereign state and a full member of the UN. French is the official language, but Italian and English are widely spoken. There is a customs and monetary union with France, and French VAT applies. There are no income taxes for Monegasque nationals and foreign residents, which is one of the main attractions of Monaco as a place of residence for high net worth individuals.

The requirements to become resident in Monaco are not as strict as commonly thought, but it is nevertheless advisable to employ a consultant or lawyer to handle an application for residence on one's behalf. To become a resident, one must be able to show sufficient means to be able to afford the lifestyle, in particular rent or real estate, which is comparable to big capital cities.

Residents of Monaco (with the exception of French citizens) are not subject to income, capital gains or wealth tax, giving Monaco an excellent tax score on the GRPI. A residence permit in Monaco allows visa-free travel to Europe's Schengen area.

Once the visa application is submitted to the relevant French consulate, it can take up to three months to be approved. Compliance and due diligence tests are average against other countries in the GRPI. Required documentation includes proof of accommodation by way of a lease or purchase agreement, and proof of sufficient funds to live in Monaco (either a letter from a bank in Monaco, proof of employment in Monaco, or the set-up of a business in the country), although no minimum investment is required.

The total cost for a residence application in Monaco is one of the highest amongst the countries in the GRPI. Acquisition of citizenship is extremely difficult in Monaco as one must have resided continuously in the country for at least 10 years as an adult over the age of 21 before qualifying. Furthermore, an official letter must be submitted to the prince to renounce any sovereign nationality, and the applicant is not permitted to perform national service abroad.

Residence Required	Proof of presence such as utility bills
Nature of Contribution	Business or proof of funds to live in Monaco
Minimum Contribution	None
Time to Citizenship	10 years


French


EUR


30,581*

USD 6.006 billion*

*Source: CIA 'The World Factbook' 2017

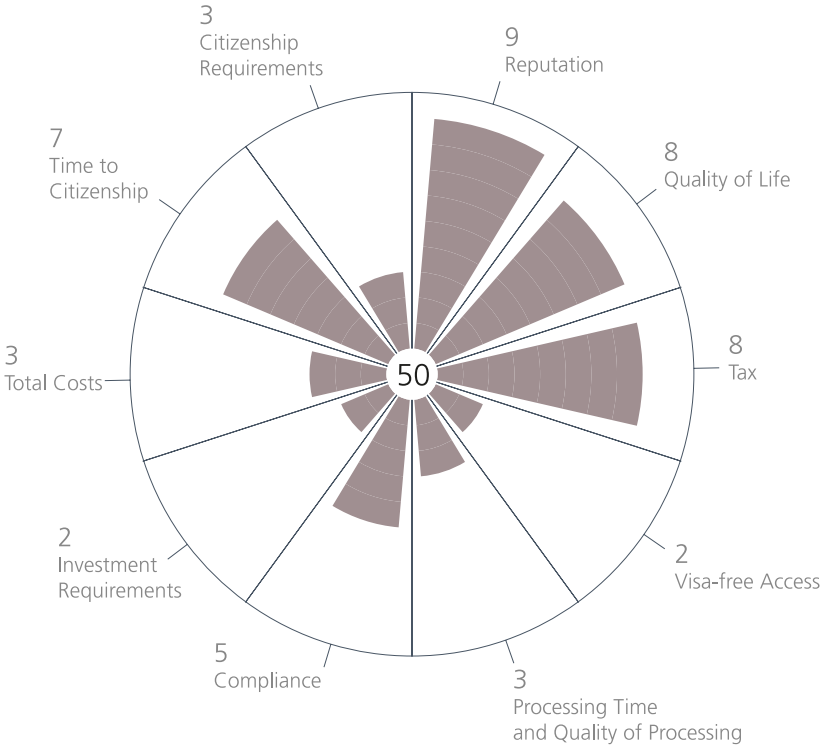


Figure 21. The total score for Singapore is 50/100 on the GRPI, ranking it 17th out of 20 programs

17th | Singapore

Singapore is frequently voted as the best Asian city in which to live, due to its excellent infrastructure and public services, having one of the lowest crime rates in the world, and offering a great quality of life to its residents. It is one of the wealthiest countries in the world when measured by GDP per capita.

Singapore has emerged as a world-class destination with a harmonious multiracial and multicultural community. The country is politically stable and economically prosperous, with a reputable education system and a highly reliable healthcare system.

Singapore has a friendly tax regime and over recent years has continued to introduce tax regulations favoring foreign investors. Singapore's taxation system operates on a territorial basis. A residence permit in Singapore does not, however, provide as many visa-free travel privileges as other countries on the GRPI.

The procedure to gain permanent residence under the Global Investor Program (GIP) takes a considerable length of time. The applicant must submit a personal profile via an e-application form (with hard copies also compiled and sent), and is then required to attend an interview, usually within two to four months of submission of the application. If all the criteria are met, an approval-in-principle is issued and is valid for a six-month period, during which the applicant must make the requisite investment under the chosen investment option and submit documentary proof of such.

The GIP offers two investment options:

- **Option A** – an investment of at least SGD 2.5 million in a new business entity, or expansion of an existing business operation
- **Option B** – an investment of SGD 2.5 million in one of the GIP-approved funds

Once a final approval letter is issued, the applicant is required to formalize his or her permanent residence status within 12 months of the date of the letter, all of which makes for a lengthy process.

Both options represent a costly investment requirement and higher total costs than other countries in the GRPI. Singapore scores reasonably for compliance standards and due diligence.

After two years of permanent residence in Singapore, it is possible to apply for citizenship; however, Singapore is a strictly single-citizenship country and each applicant must relinquish all existing citizenships before naturalization is possible. Also, all male Singapore citizens and permanent residents are obliged to participate in the country's compulsory two-year National Service.

Residence Required	Presence in Singapore for at least 50% of the time
Nature of Contribution	Investment
Minimum Contribution	SGD 2.5 million
Time to Citizenship	2 years

Mandarin, English

SGD

5,781,728*

USD 296.6 billion*

*Source: CIA 'The World Factbook' 2017

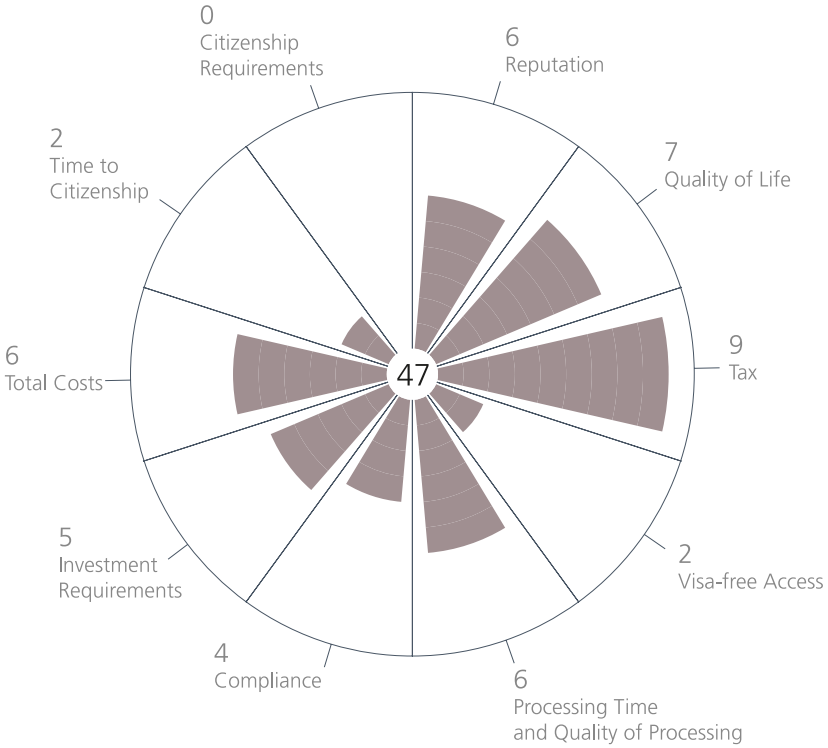


Figure 22. The total score for Cyprus on the GRPI is 47/100, ranking it 18th out of 20 programs

18th | Cyprus

Cyprus is a beautiful island and a hub for international trade. The island has a Mediterranean climate and the lowest crime levels in the EU. It offers a good quality of life for its residents, an excellent healthcare system, and diverse options for education with many private English schools and universities.

In line with the Cyprus government's intention to increase foreign investment and to help its economic development, it has recently simplified its processes in order to issue residence permits to applicants from non-European countries.

The main requirement is the purchase of new immovable property of a total market value of at least EUR 300,000 plus VAT. The applicant must submit the application form accompanied with a contract of sale and proof of payment of at least EUR 200,000 plus VAT. The contract of sale must have been submitted to the Cyprus Department of Land and Surveys. The property can also be bought by a company provided that the company is registered in the name of the applicant or the applicant and spouse, and they are sole shareholders or beneficial owners.

The applicant may purchase up to two residential properties, or one residential unit and one shop, or one residential unit and one office, provided that the combined value exceeds EUR 300,000. The government of Cyprus has specified that new properties qualify but can only be purchased directly from the developer. If buying two units, they must be purchased from one developer.

The applicant must submit a letter from a Cyprus bank confirming that they have deposited a minimum capital of EUR 30,000 from abroad into an account, which will be locked for three years. After the expiration of this period, the money will be released without restrictions.

The applicant must provide supporting evidence of a secured annual income of at least EUR 30,000 deriving from abroad. This income must increase by EUR 5,000 for the spouse and for each child and by EUR 8,000 for each dependent parent. This figure may include income from employment, rents, pensions, and dividends from shares.

Once these steps are completed, the residence permit is generally available within two months. The residence permit has unlimited duration and is considered permanent as long as the applicant remains the owner of the purchased property.

Residence permit holders are entitled to apply for Cypriot citizenship through naturalization, enabling qualification for a Cypriot passport, after seven years of holding a residence permit.

Cyprus also offers a citizenship-by-investment program, described under the GCPI on page 84.

Residence Required	1 visit required every 2 years
Nature of Contribution	Real estate
Minimum Contribution	EUR 300,000
Time to Citizenship	7 years


Greek, English


EUR


1,205,575*

USD 19.93 billion*

*Source: CIA 'The World Factbook' 2017

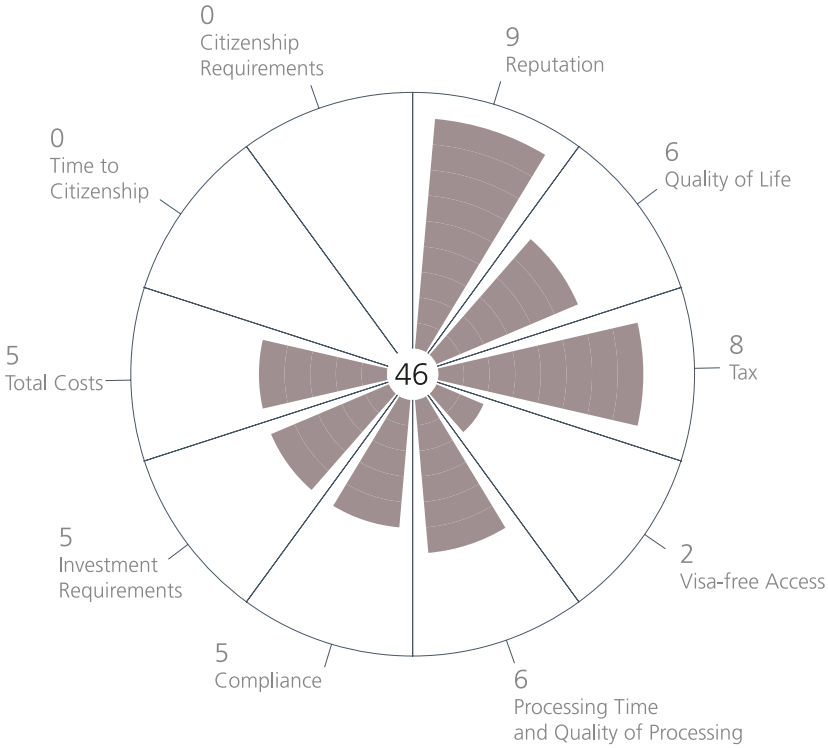


Figure 23. The total score for Hong Kong on the GRPI is 46/100, ranking it 19th out of 20 programs

19th | Hong Kong

Hong Kong is located at the heart of Asia, and is a diverse metropolis offering a unique blend of Eastern and Western traditions. It is one of world's most business-friendly cities and has world-class infrastructure. It is an open economy with a free market and low taxation, and an important center for international finance and trade.

Although its core residence program has been suspended since 2015, Hong Kong still offers a variety of other residence programs for talent, professionals and entrepreneurs.

The Quality Migrant Admission Scheme is a quota-based system that allows applicants over the age of 18 years who are highly skilled or talented to settle in Hong Kong.

There are various categories under the employment/investment tier, including:

- **The General Employment Policy (GEP) Permit** – an entry permit for an applicant employed as a professional. The person must have a good educational background and/or relevant experience, a confirmed employment offer in Hong Kong that is relevant to the person's professional abilities, and a remuneration package that is commensurate with the prevailing market level in Hong Kong
- **Admission Scheme for Mainland Talents and Professionals (ASMTP)** – an entry permit for Chinese residents of mainland China who possess special skills, knowledge or experience of value. The applicant must provide a confirmed offer of employment relevant to their experience, which must not be readily available in the local Hong Kong work force
- **Investment as Entrepreneurs** – the entry arrangement for persons who wish to enter/stay in Hong Kong for investment as entrepreneurs under the GEP, i.e. to establish or join a business. An applicant with a good education background, good technical qualifications, proven professional abilities and/or relevant experience may also be accepted if they are in a position to make a substantial contribution to the economy of Hong Kong

The application process begins with the submission of the application to the Immigration Department, and if everything is in order, an approval-in-principle is given. Then, the applicant must fulfill the conditions for entry of each scheme. Generally, the process takes three months or longer and the entry permit, in most cases, is issued for a period of two years. The program offers moderate compliance and due diligence standards.

Residence Required	7 years for permanent residence
Nature of Contribution	Investment or employment
Minimum Contribution	None
Time to Citizenship	10 years

Cantonese, English

HKD

7,167,403*

USD 316.1 billion*

*Source: CIA 'The World Factbook' 2017

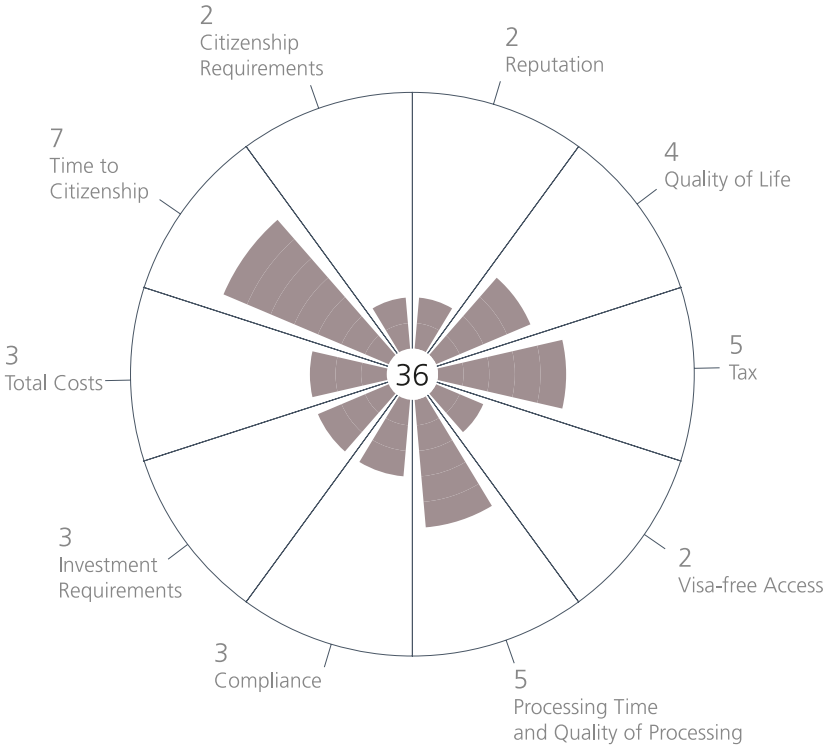


Figure 24. The total score for Bulgaria on the GRPI is 36/100, ranking it 20th out of 20 programs

20th | Bulgaria

Bulgaria is a member of both the EU and NATO. Although it may not possess as good a reputation as other European countries, and has an unstable political environment, Bulgaria has been working at improving its status by implementing austerity measures and anti-corruption government programs.

Bulgaria offers relatively favorable personal and corporate tax rates when compared to other countries on the GRPI. A Bulgarian permanent resident does not, however, enjoy as much visa-free travel as the country is not a member of the Schengen area. Compliance standards and due diligence processes are low, while corruption remains high by international standards. There are two investment routes:

Option 1: Full Investment Scheme

There are four options within this route:

- A deposit of BGN 1 million (circa EUR 511,000) in a Governmental Bond Portfolio for a period of five years, at the end of which the full amount is returned to the applicant (without interest); the investment is guaranteed by Bulgarian government bonds
- EUR 125,000 in available funds to purchase at least 50% of the capital of a Bulgarian company that operates in an underdeveloped region, and to create and maintain a minimum of five jobs for Bulgarian citizens
- EUR 250,000 in available funds to purchase at least 50% of the capital of a Bulgarian company, and to create and maintain a minimum of 10 jobs for Bulgarian citizens
- An investment of at least EUR 300,000 in or the purchase of at least 50% of the capital of a Bulgarian company, which in turn would invest the same amount in real estate

Option 2: Financed Investment Scheme

An investment of EUR 195,000, which is used to finance a BGN 1 million loan from a Bulgarian chartered bank, in order to purchase government bonds, for a five-year period. There are no loan fees or interest. The initial funds are not returned to the applicant at the end of the five-year period

The application process takes roughly 6–9 months, and no physical residence is required.

The waiting period for citizenship and the unclear and untested procedures make this a relatively unattractive route for those interested in citizenship. The program will only be of interest for applicants specifically looking for the opportunity to reside or conduct business in Bulgaria.

Residence Required	None
Nature of Contribution	Investment
Minimum Contribution	EUR 511,000
Time to Citizenship	5 years

Bulgarian

BGN

7,144,653*

USD 50.45 billion*

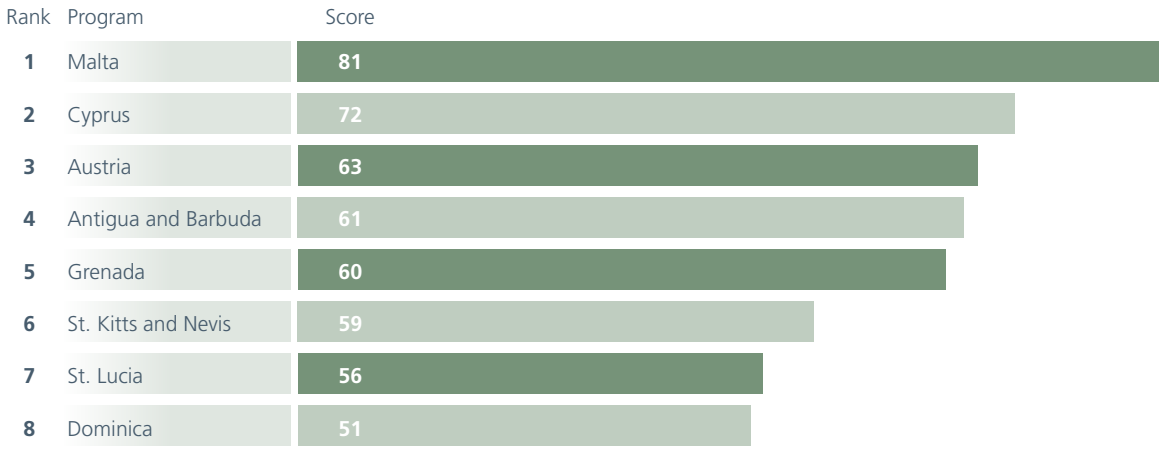
*Source: CIA 'The World Factbook' 2017

The Global Citizenship Program Index (GCPI)

The GCPI 2017–2018

In contrast to residence, acquisition of citizenship of a country through a citizenship-by-investment program confers all the rights of a citizen of that country, including a passport. With a passport, citizens will benefit from visa-free access to all countries with such visa agreements in place.

Figure 25. The GCPI 2017–2018



Factors

- Reputation
- Quality of Life
- Visa-free Access
- Processing Time and Quality of Processing
- Compliance
- Investment Requirements
- Residence Requirements
- Relocation Flexibility
- Physical Visit Requirements
- Transparency

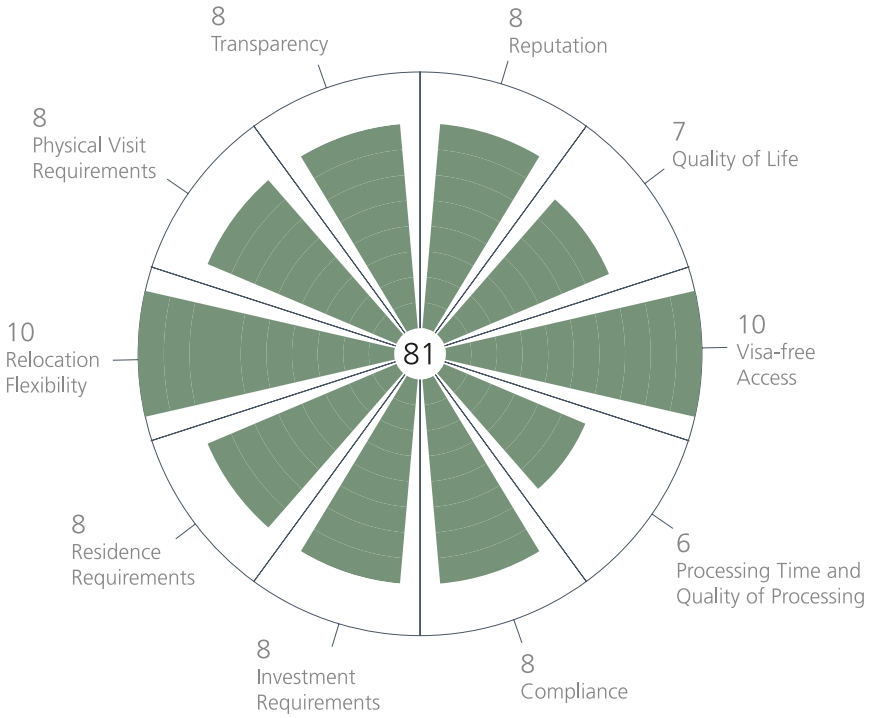


Figure 26. The total score for Malta on the GCPI is 81/100, ranking it 1st out of 8 programs

1st | Malta

Malta is located in the center of the Mediterranean, boasting an excellent reputation with a splendid climate, friendly people, a low crime rate, and a great quality of life. An attractive place to live or to own a second home, it also has excellent air links.

The Malta Individual Investor Program (MIIP) is a modern citizenship-by-investment program designed, implemented and globally promoted by Henley & Partners for the Government of Malta under a Public Services Concession. It is targeted at high net worth individuals and families worldwide, and it is considered the world's most advanced and most exclusive citizenship-by-investment program.

The MIIP requires an applicant to make a non-refundable economic contribution to the National Development and Social Fund of EUR 650,000. In exchange, and subject to a very thorough application procedure including detailed due diligence and background verification checks, the applicants and their families are granted full EU citizenship.

Additionally, all of the following financial requirements and other obligations must be met:

- **Property** – either the purchase of a residential property in Malta with a price of at least EUR 350,000, which must be held for five years, or the lease of a residential property with a rental of at least EUR 16,000 per annum, also held for five years
- **Participation in Approved Financial Instruments** – EUR 150,000 in a prescribed financial instrument, the details of which are published from time to time by the Identity Malta Agency, which must be held for five years
- **Health Insurance** – the holding of a valid global health insurance policy with medical expense cover amounting to at least EUR 50,000 per family member
- **Residence** – legal residence in Malta for one year prior to application for citizenship, and a minimum physical presence of 14 days
- **Oath of Allegiance** – all applicants aged 18 years and over are obliged to visit Malta in person to undertake the Oath of Allegiance

Compliance and due diligence standards are considered to be the world's strictest, aiming to ensure that only the most respectable of applicants are admitted. Residence requirements demand that an applicant is a legal resident in Malta for one year prior to applying for citizenship under the MIIP. Although the process for obtaining citizenship in Malta is very strict and rigorous, it is also open and straightforward with no additional requirements to be met, yielding a high transparency score on the GCPI.

Visa-free Access	167 countries
Residence Required	1 year's legal residence and minimum physical presence of 14 days
Nature of Contribution	Investments, real estate, insurance, and residence
Minimum Contribution	EUR 880,000
Time to Citizenship	12 months

Maltese, English

EUR

415,196*

USD 10.49 billion*

*Source: CIA 'The World Factbook' 2017

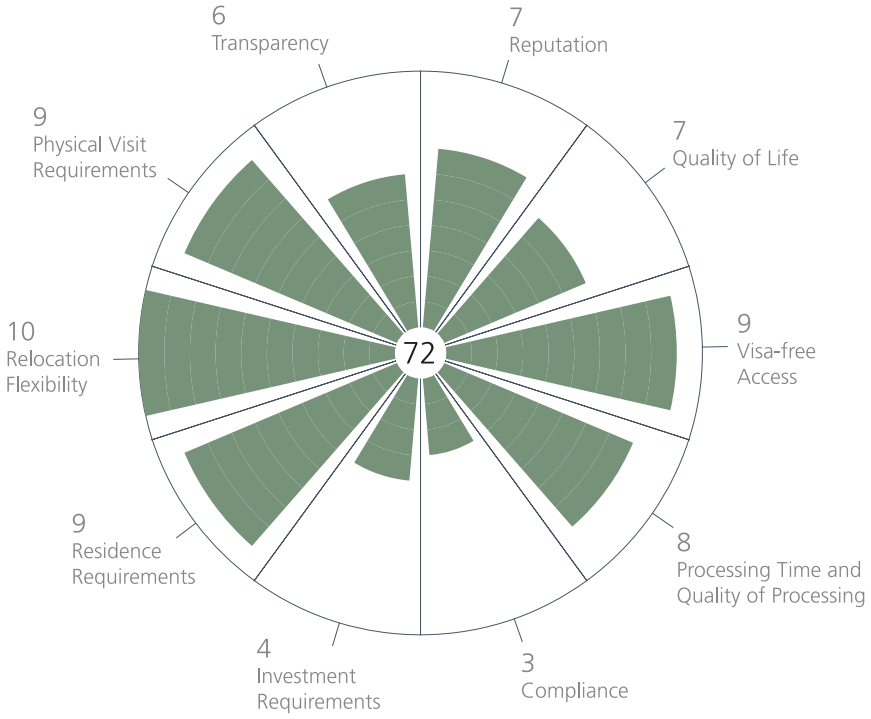


Figure 27. The total score for Cyprus on the GCPI is 72/100, ranking it 2nd out of 8 programs

2nd | Cyprus

Cyprus is located in the south-eastern Mediterranean Sea, at the crossroads of Europe, Asia and Africa. The strategic location of the island has played an important role in its development as a financial and trade center. With its warm climate and convenient geographical position, Cyprus is an attractive country for global citizens.

Citizenship of Cyprus offers visa-free travel and the right to work, reside and buy property within the EU. Citizenship applications are treated with urgency and are usually processed within two to three months from the date of submission, which is notably quicker than other countries on the GCPI.

There are four qualifying options:

- **Real Estate, Developments and Infrastructure Projects** – the applicant must commit at least EUR 2 million to the purchase or construction of real estate
- **Purchase, Establishment, or Participation in Cypriot Businesses and Companies** – the applicant must commit at least EUR 2 million to the purchase, creation, or participation in businesses or companies that are based and operating in Cyprus. These businesses or companies should have a demonstrable and tangible presence in Cyprus and employ at least five Cypriot or EU citizens
- **Participation in Alternative Investment Funds or the Purchase of Financial Assets of Cypriot Enterprises or Organizations Licensed by the Securities and Exchange Commission** – the applicant must purchase units amounting to at least EUR 2 million from alternative investment funds. This criterion also covers the purchase of financial assets of Cypriot businesses or organizations for at least EUR 2 million, in the form of bonds, securities and debt securities
- **A Combination of the Above Options** – the applicant may choose a combination of the above, provided that the total amounts to at least EUR 2 million. The applicant's combination may include the purchase of special government bonds of the Republic of Cyprus of up to EUR 500,000

In addition, the main applicant must be the owner of a residential property in Cyprus, with a purchase price of at least EUR 500,000 plus VAT if applicable, which must be held for life. Members of the same family who submit different applications as investors can buy a residence collectively, provided that the total amount of the residence/house covers the amount of EUR 500,000 for each applicant.

Typically, obtaining approval for citizenship in Cyprus takes three months, followed by another three months to obtain the passport. There is reasonable due diligence, and no residence requirements need to be met.

Visa-free Access	158 countries
Residence Required	None
Nature of Contribution	Real estate, business or investment
Minimum Contribution	EUR 2 million
Time to Citizenship	6 months


Greek, English


EUR


1,205,575*

USD 19.93 billion*

*Source: CIA 'The World Factbook' 2017

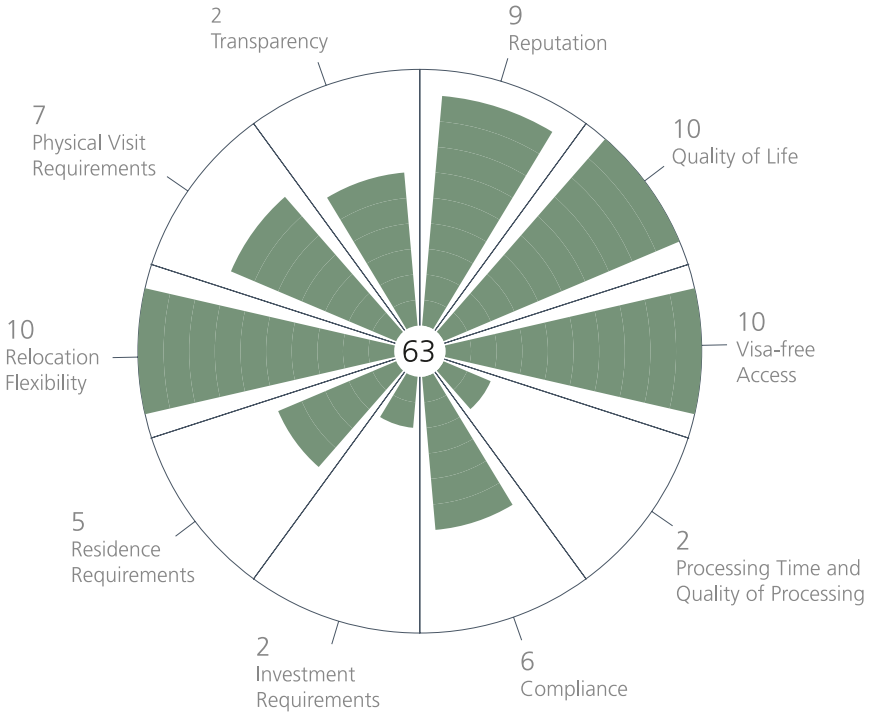


Figure 28. The total score for Austria on the GCPI is 63/100, ranking it 3rd out of 8 programs

3rd | Austria

Austria is considered one of the most stable countries in the world and boasts a high standard of living. Although one of the smaller states of Europe, it has a world-class capital, Vienna, with a rich cultural and historic heritage. Austria also has a beautiful countryside with Alpine peaks and spectacular scenery.

A substantial contribution to the Austrian economy is required under the citizenship-by-investment provisions, ranking Austria as the costliest amongst the list of countries on the GCPI. An applicant can invest in the form of a joint venture or a direct investment in a business, creating jobs or generating new export sales. Passive investments in, for example, government bonds and real estate generally do not qualify.

The grant of citizenship on the basis of an investment requires government approval at various levels including, eventually, at the highest level (cabinet). It is, therefore, essential that the applicant receives expert advice from the beginning, that the individual case is carefully prepared, and that informal approvals from the key authorities are obtained before the formal application process is initiated.

Substantial fees apply, depending on the case and the number of persons included in an application. There are no residence requirements, and applicants and their dependents become citizens of Austria upon attending a citizenship ceremony before a senior representative of the government. The application process differs from case to case and is ranked as the least transparent on the GCPI.

The processing time for citizenship is lengthy when compared to other citizenship programs as it generally takes between 12 and 36 months. A completely clean personal record (certificate of no criminal record, etc.), a comprehensive curriculum vitae, background business information as well as impeccable references must be provided by every applicant.

Previously, basic knowledge of the German language was required for the main applicant, but this condition was abolished in early 2006. Nonetheless, the language requirement remains in place for dependents.

Children up to 18 years of age can be included in the same application, but those over 18 cannot, and no exceptions are possible. However, a separate application may be prepared and lodged at the same time. That application may be included under the same capital contribution, although the amount of the contribution would then need to be higher than the minimum requirement.

Visa-free Access	173 countries
Residence Required	None
Nature of Contribution	Investment
Minimum Contribution	Variable
Time to Citizenship	2–3 years

German	EUR	8,711,770*	USD 387.3 billion*

*Source: CIA 'The World Factbook' 2017

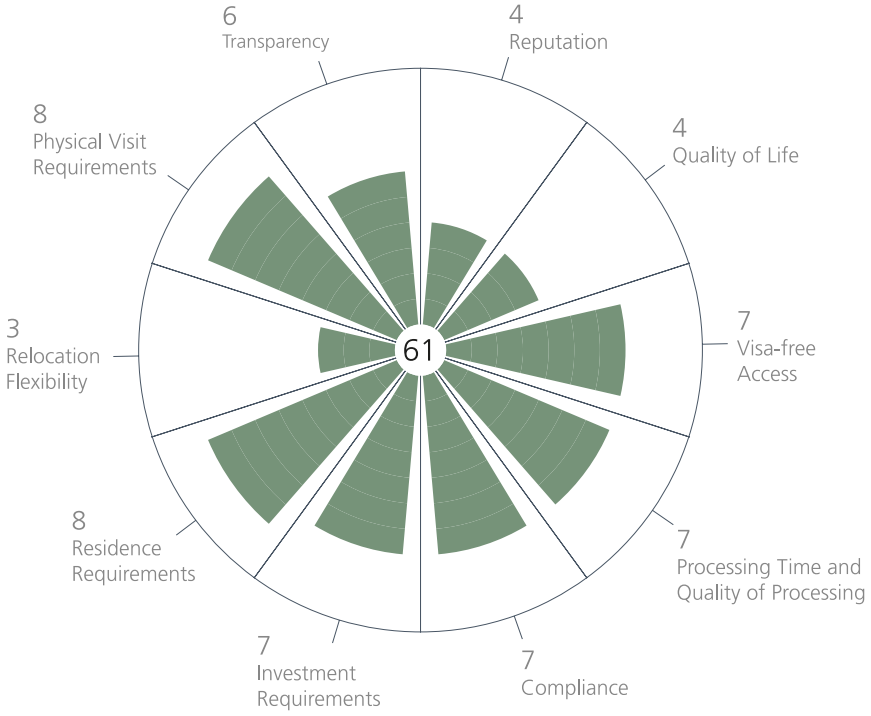


Figure 29. The total score for Antigua and Barbuda on the GCPI is 61/100, ranking it 4th out of 8 programs

4th | Antigua and Barbuda

Antigua and Barbuda is an independent Commonwealth state in the Eastern Caribbean. With over 300 beaches of white sand and turquoise waters, the tropical island of Antigua is considered to be one of the most beautiful places in the world, with excellent air links to North America and Europe.

The Antigua and Barbuda Citizenship-by-Investment Program is an appealing and exciting option for applicants looking to obtain a second citizenship while acquiring desirable properties or contributing to the island's National Development Fund (NDF). The program was designed and implemented by Henley & Partners under a government mandate.

The Antigua and Barbuda Citizenship-by-Investment Program requires an applicant to make an economic contribution to the country, although it remains less costly than other programs on the GCPI. There are three qualifying options available in Antigua and Barbuda:

- The purchase of real estate with a minimum value of USD 400,000 from an approved real estate project. The real estate cannot be disposed of within a five-year period, or before the proposed real estate project has been substantially completed
- A direct contribution of a minimum of USD 1.5 million to an eligible business as an individual, or a joint contribution involving at least two persons, with each person individually committing at least USD 400,000
- A contribution to the NDF of a minimum non-refundable amount of USD 200,000

In addition, Antigua and Barbuda has a residence requirement of five days in the five years after becoming a citizen, further enhancing the program's flexibility and attractiveness. Upon approval, the successful applicant must make a mandatory visit to their new country to swear or affirm their allegiance to the twin island nation by taking an Oath of Allegiance in front of a local Notary Public.

Given its straightforward and transparent application process, as well as its total costs for citizenship, Antigua and Barbuda's citizenship-by-investment program is currently one of the most popular and best-value citizenship options in the Caribbean.

The expected processing time is approximately three months, which makes for a highly efficient program. The government authority responsible for administering the program is the Antigua and Barbuda Citizenship by Investment Unit, which undertakes strict due diligence checks. An application is immediately declined if an applicant makes a false statement or omits any relevant information.

Visa-free Access	135 countries
Residence Required	5 days in 5 years
Nature of Contribution	Real estate, investment, or contribution
Minimum Contribution	USD 200,000
Time to Citizenship	3 months


English


XCD


93,581*

USD 1.303 billion*

*Source: CIA 'The World Factbook' 2017

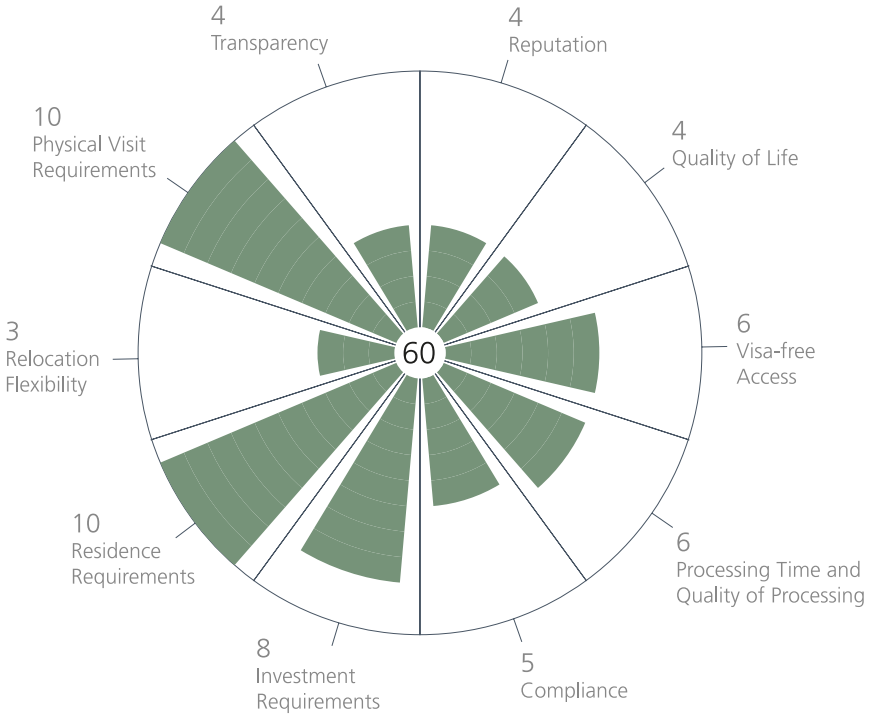


Figure 30. The total score for Grenada on the GCPI is 60/100, ranking it 5th out of 8 programs

5th | Grenada

Grenada is a beautiful island with exotic and diverse topography, breathtaking beaches and a year-round temperate climate. Often referred to as the 'Spice Island' for its production of nutmeg and mace crops, it is an English-speaking Commonwealth country with a common law legal system, and very stable government.

The Grenada Citizenship-by-Investment Program was launched in August 2013 as a means of developing Grenada's economy to be more prosperous and independent. The National Transformation Fund (NTF) finances various projects in Grenada for the benefit of its various industries, including tourism, agriculture, and alternative energy. Henley & Partners was formally mandated in 2016 by the Government of Grenada to revitalize and enhance the program.

Grenada passport holders may currently travel visa-free to 124 countries including the UK and Europe's Schengen area, Brazil, and other key business and lifestyle destinations. Furthermore, it is the only citizenship-by-investment program that holds an E-2 Investor Visa Treaty with the US, allowing Grenadian nationals the opportunity to enter and work in the US, and it is the only investment migration program in the Caribbean that offers visa-free access to China.

The Grenada Citizenship-by-Investment Program requires a person to make a significant economic contribution to the country.

There are two key options:

- **Real Estate** – To acquire property from a government-approved real estate project for a minimum of USD 350,000. The real estate must be held for a minimum of three years
- **NTF Contribution** – A minimum non-refundable contribution of USD 200,000

This gives the program a lower capital requirement than the citizenship programs in St. Kitts and Nevis, and Antigua and Barbuda.

Once an application is submitted, the government should provide an initial answer within 60 business days.

The capital requirement and total costs rank highly when compared to other citizenship-by-investment programs. However, the process is less transparent and not as straightforward as other countries on the GCPI. There are no residence requirements in order to qualify for citizenship and the applicant does not have to travel to Grenada.

Visa-free Access	124 countries
Residence Required	None
Nature of Contribution	Donation or investment in an approved real estate project
Minimum Contribution	USD 200,000
Time to Citizenship	3 months


English


XCD


111,219*

USD 1.028 billion*

*Source: CIA 'The World Factbook' 2017

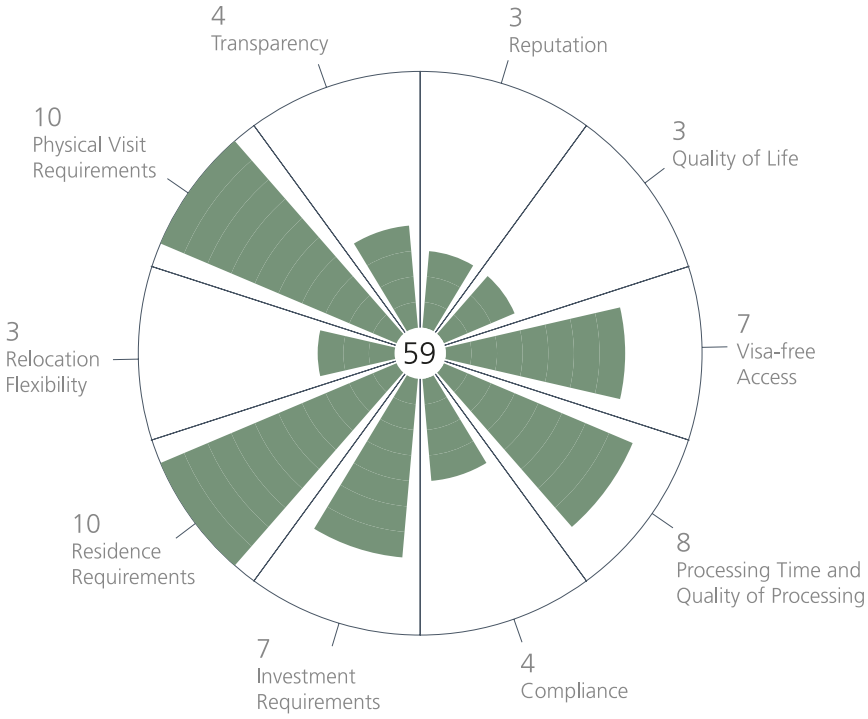


Figure 31. The total score for St. Kitts and Nevis on the GCPI is 59/100, ranking it 6th out of 8 programs

6th | St. Kitts and Nevis

St. Kitts and Nevis is a Caribbean destination offering beautiful beaches and tropical landscapes. Its culture is diverse, with Carib, British, French, and African influences. It is an attractive location for owning a second home in the Caribbean, with good air links to Europe and North America.

Since 1984, the St. Kitts and Nevis Citizenship Act has allowed foreign investors to acquire citizenship, making it the oldest existing citizenship-by-investment program in the world. In 2007, Henley & Partners was mandated by the government to completely reform the program, and to promote it internationally (until July 2013). During the course of this mandate, the program became the most successful of its kind in the world.

With a St. Kitts and Nevis passport, a citizen can currently travel visa free to Europe's Schengen area, Hong Kong, Republic of China (Taiwan), Singapore, Russia and the UK. For qualifying options, the government requires either:

- The purchase of real estate with a minimum value of USD 400,000 from an approved real estate development
- A contribution to the Sugar Industry Diversification Foundation of at least USD 250,000
- A contribution to the Hurricane Relief Fund of USD 150,000 (this is a temporary fund that will be open until 30 March 2018)

The normal timeframe for processing applications is usually between three and four months from submission of the application to the Citizenship by Investment Unit (CIU), which is moderate when compared to other programs in the GCPI. There is also an Accelerated Application Process, which allows applications to be fast-tracked to a 60-day processing period. Some applications are completed in as little as 45 days. This is the only fast-track process of its kind in the region, making it an excellent option for applicants. Compliance standards and due diligence checks are strict. The CIU performs thorough background checks and will decline an application if the applicant makes a false statement or omits any relevant information. In some cases, the CIU may request that the applicant attends an interview, although this is not generally a requirement.

St. Kitts and Nevis citizens may take up residence in the country at any time and for any length of time, with no mandatory minimum requirements. Compared with other citizenship programs, the total cost for a citizenship application in St. Kitts and Nevis is reasonable.

Visa-free Access	137 countries
Residence Required	None
Nature of Contribution	Real estate or contribution
Minimum Contribution	USD 250,000 (USD 150,000 temporarily until 30 March 2018)
Time to Citizenship	4 months


English


XCD


52,329*

USD 955 million*

*Source: CIA 'The World Factbook' 2017

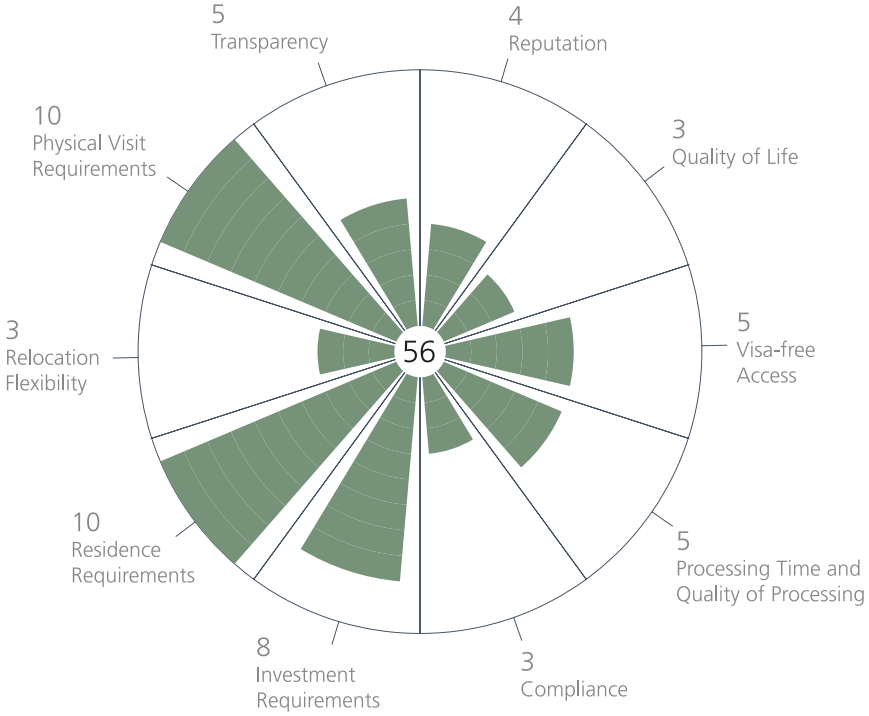


Figure 32. The total score for St. Lucia on the GCPI is 56/100, ranking it 7th out of 8 programs

7th | St. Lucia

St. Lucia lies in the eastern Caribbean Sea, north-west of Barbados and south of Martinique. A volcanic island still mostly covered in rainforest, it is famous for its twin peaks, the Pitons, and its beaches. It is a member of the Commonwealth and CARICOM. It also has excellent air links to Europe and North America.

The island nation of St. Lucia attracts foreign business and investment, especially in its offshore banking and tourism industries. Tourism is St. Lucia's main source of jobs and income, accounting for 65% of its GDP, and the island's main source of foreign exchange earnings. Its manufacturing sector is the most diverse in the eastern Caribbean area. Crops such as bananas, mangos and avocados are grown for export.

The St. Lucia Citizenship-by-Investment Program is the newest of all the current programs, having been launched in January 2016. It is not yet well established and there are some concerns around its design and an apparent lack of transparency.

A St. Lucian passport provides visa-free travel to Europe's Schengen area, the UK, Hong Kong, Singapore and many other countries.

There are three routes to citizenship:

- Purchase of real estate with a minimum value of USD 300,000 from an approved real estate development, which must be held for a minimum period of five years — additional costs may also be incurred depending on the real estate developer
- Participation in an approved Enterprise Project with a minimum contribution of USD 3.5 million plus the creation of no less than three permanent jobs, or a joint contribution of USD 6 million (each applicant committing a minimum of USD 1 million) plus the creation of no less than six permanent jobs
- A non-refundable contribution to the National Economic Fund of a minimum of USD 100,000

Furthermore, there is a requirement for every applicant to submit a sworn affidavit to declare financial resources of at least USD 3 million.

The documentary requirements of the program are reasonable and the procedures are quite straightforward. The application process should take no longer than four months from submission of the application to issuance of the passport, assuming there are no areas of concern. Under the real estate option, the time frame may vary depending on the development.

There are no residence requirements, and the investment and processing costs are moderate.

Visa-free Access	127 countries
Residence Required	None
Nature of Contribution	Contribution, real estate or business
Minimum Contribution	USD 100,000
Time to Citizenship	3 months


English


XCD


164,464*

USD 1.439 billion*

*Source: CIA 'The World Factbook' 2017

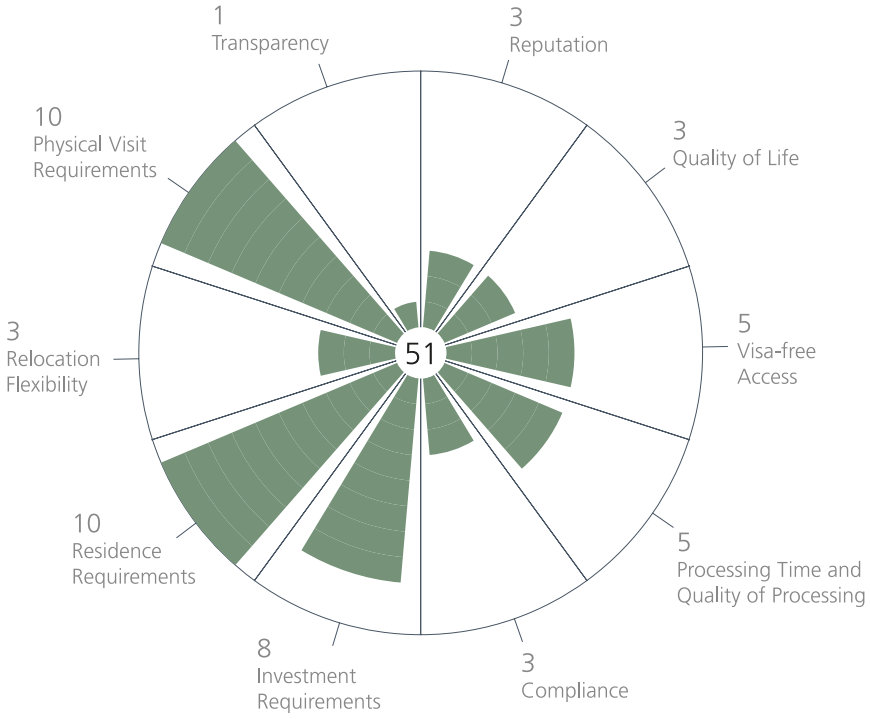


Figure 33. The total score for Dominica on the GCPI is 51/100, ranking it 8th out of 8 programs

8th | Dominica

The Commonwealth of Dominica is an English-speaking island state often referred to as the 'Nature Island of the Caribbean'. It is a former British colony and a member of the British Commonwealth as well as the UN, the Organization of American States, CARICOM and other international organizations.

Also known as the Nature Island of the Caribbean, Dominica boasts a wide range of unique nature attractions, including untouched rain forests, an abundance of spectacular waterfalls, hundreds of rivers and streams, the second largest volcanic boiling lake in the world, and world-class hiking in the many nature reserves.

Many travelers have described Dominicans as the friendliest people in the Caribbean, which is supported by the almost non-existent crime rate in the country. Dominica boasts a beautiful, wide range of natural attractions. Due to the mountainous terrain, only about a quarter of the island is cultivated, but the rich soil produces good domestic and export crops. Organic agriculture is being encouraged and has great economic potential.

As for reputation and quality of life, Dominica's score is lower than other countries on the GCPI.

A Dominican passport facilitates visa-free travel to the UK and the Schengen area; however, it does not provide visa-free travel to Canada.

The processing time for applications currently ranges from four months to over one year, which is lengthy against the GCPI. Also, the program has cumbersome procedural requirements and compliance standards.

As for the investment requirement, Dominica ranks as the cheapest option on the GCPI. Dominica's citizenship program requires making an economic contribution to the country in the form of a direct, non-refundable payment made to the government.

Under the current regulations, there are two options for obtaining Dominican citizenship:

- A non-refundable contribution of a minimum of USD 100,000
- An investment in an approved real estate development with a minimum value of USD 200,000

There are no residence requirements in Dominica. An applicant has the right to take up residence at any time and for any length of time in Dominica; however, the government does encourage new citizens to become further involved in the economy and has implemented substantial incentives to make this an attractive option. As for transparency of the application process, the process has rather burdensome procedural requirements and is one of the least transparent programs in the GCPI. There is no requirement for an interview. The applicant and their family receive full citizenship, which can be passed on to future generations by descent.

Visa-free Access	119 countries
Residence Required	None
Nature of Contribution	Contribution
Minimum Contribution	USD 100,000
Time to Citizenship	3 months


English


XCD


73,757*

USD 524 million*

*Source: CIA 'The World Factbook' 2017

Methodology

Developing an Index

The primary purpose of the GRPI and the GCPI is to arrive at a comprehensive standard for assessing and comparing the attractiveness of residence- and citizenship-by-investment programs of destination countries. Accordingly, we sought to develop a more thorough and detailed analysis than those that are currently available, to enable prospective applicants for residence and/or citizenship, their advisors as well as policy makers in governments to make informed decisions.

Devising a comprehensive benchmark by way of a composite indicator is a process that entails the consideration of multiple variables (or sub-indicators) aggregated to comprise relevant factors (or indicators). Identifying such variables, devising helpful categories, and aggregating these indicators into an index to facilitate ranking is a process that does not have a single methodology, primarily because there is no single publicly available source for obtaining data to populate these indicators and sub-indicators. It has been necessary, therefore, to rely on multiple sources and experts to obtain and interpret the mostly qualitative data used in the construction of the index.

Given that we have sought to rely primarily on: (i) the expertise of residence and citizenship analysts; and (ii) the experience of investors and government officials, the explanatory power that supports the scores provided to the different categories is based on surveys and interviews of respondents, and opinions solicited from selected informants. The design of the surveys and interviews, and subsequent analysis, has been conducted by experts. Where possible, the subjectivity of the different factors has been assessed against publicly available data and widely accepted composite indicators.

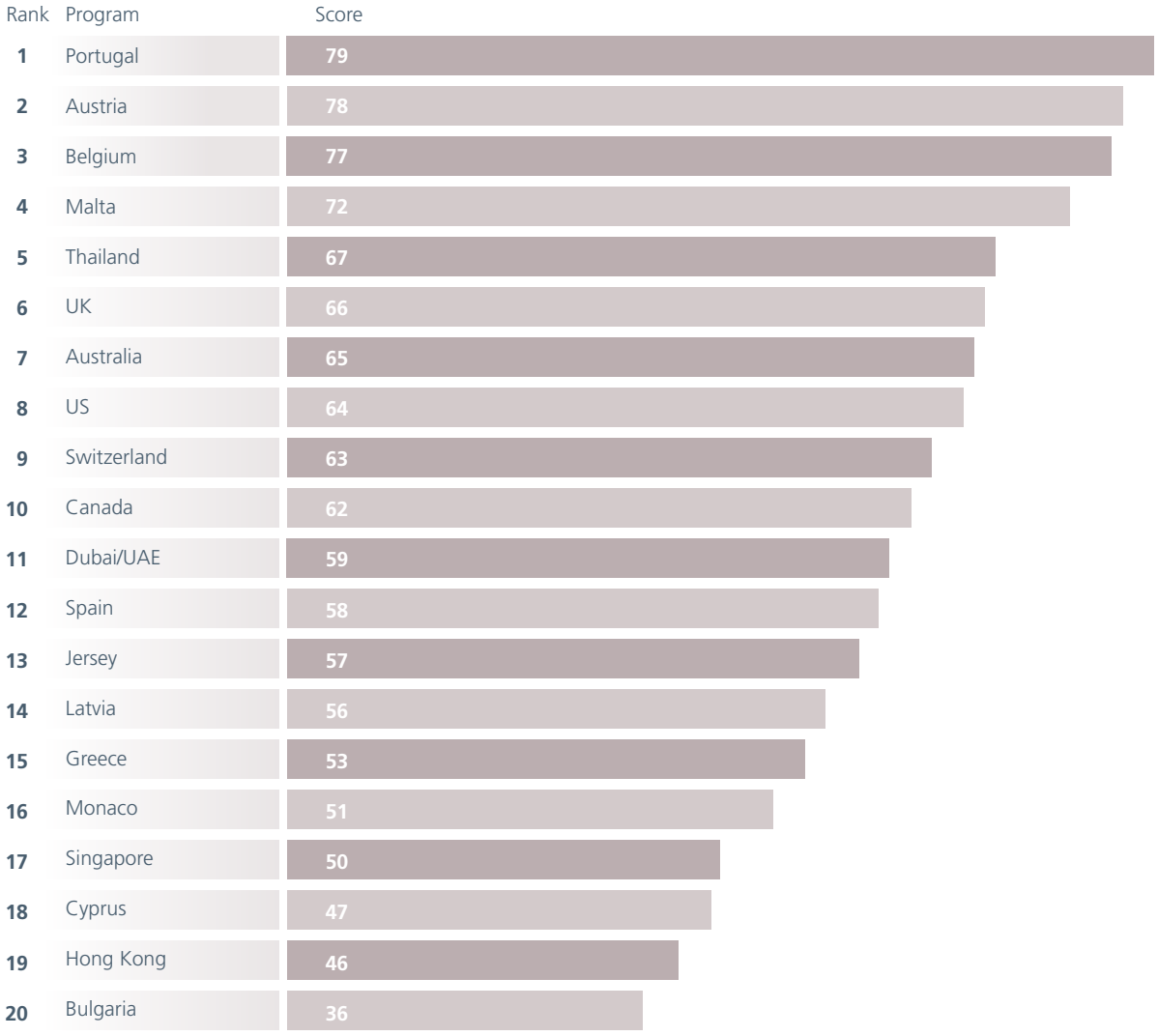
Following the above process, we calculated a score on a scale of 10 for each factor or indicator. Subsequently, each indicator (irrespective of the variables and criteria it contains) was assigned equal weight (10%) in arriving at a composite score, based on which, countries have been ranked in the GRPI and GCPI.

The data for surveys and interviews have been collected from a representative sample in a consistent fashion, both among a sample group of respondents as well as expert informants regarding citizenship and practitioners who have been involved in qualitative research design in the global mobility and related space. Our sample frame for respondents consists of existing investors, potential investors, their advisors, and government officials in countries that either have in place or are in the process of putting in place residence- and citizenship-by-investment programs. It may be noted that, in placing reliance on potential clients, we also included respondents who decided against proceeding with any particular program.

The GRPI

In the following pages, each factor is explained in further detail, and the ranking of countries within each factor provided. It may be noted that the individual *ranks* provided for each indicator are not taken into account in the composite indicator, but are provided only to indicate how the countries analyzed fare comparatively. In the event that there is a tie between the scores given to two countries for an indicator, no tiebreaker is sought to be applied, as the individual *scores* are taken into account in arriving at a composite score, and the corresponding composite rank. The description provided for each factor on the following pages indicates some of the concerns that inform the scores that are assigned to the destination countries.

Figure 34. The GRPI 2017–2018



Factors

- Reputation
- Quality of Life
- Tax
- Visa-free Access
- Processing Time and Quality of Processing
- Compliance
- Investment Requirements
- Total Costs
- Time to Citizenship
- Citizenship Requirements

Reputation

Reputation places reliance on the perceptions of investors and advisors regarding the image of countries in which they invest. This indicator is, by its nature, subjective, but much like the Attractiveness Indicators employed in the IMD in their Executive Opinion Surveys, its intention was to allow space for our respondents and informants to consider intangible and unanticipated factors in assessing the reputation of destination countries. The endeavor to assess reputation is not new, as the relationship between reputation and outcome is a popular mechanism of assessing the competitiveness of organizations, cities, and even regions[26]. Further, much like corporate reputation, the reputation of a country is a historical indicator that allows assessment of the levels of success of countries' previous efforts in meeting investor expectations. In this regard, for example, since the launch of the Investor Class Visa in 1986, Canada has been at the forefront of residence-by-investment and business immigration. Pursuant to their EU membership, countries such as Malta have been rapidly developing a favorable reputation. However, as the relatively less positive reputations of Greece or Bulgaria demonstrate, membership of the EU alone is not sufficient for acquiring a favorable reputation; as the interviews reveal, expectations regarding political and economic stability, the rule of law, consistency of tax and other policies affecting individual residents and citizens, reliability of public institutions, and similar factors need to be met.

[26] Drawing on organizational and regional reputation, the reputation of a country could be characterized as the aggregation of a single stakeholder's perceptions of the capacity of the country to meet demands and expectations of several stakeholders. Further, given 'brand management' exercises performed by different countries, the satisfaction of perceived expectations is an important criterion. See W Lever, 'Competitive Cities in Europe' (1999) 36 Urban Studies 1029; S Anholt, *Competitive Identity: The New Brand Management for Nations, Cities and Regions* (Palgrave McMillan, 2007)

Figure 35. Reputation

Rank	Program	Score
1	Austria	10
1	Switzerland	10
1	UK	10
2	Australia	9
2	Belgium	9
2	Canada	9
2	Hong Kong	9
2	Malta	9
2	Singapore	9
3	Portugal	8
3	Spain	8
3	Thailand	8
3	Dubai/UAE	8
3	US	8
4	Jersey	7
5	Cyprus	6
5	Monaco	6
6	Latvia	5
7	Greece	4
8	Bulgaria	2

Quality of Life

The assessment of Quality of Life (QoL) has in different contexts relied on diverse methods of assessing subjective perceptions of different sample groups, as well as developing factors that are independent of subjective perceptions. Like Reputation, QoL could well benefit from the actual experiences of investors and what is particularly relevant for the type of person seeking to avail themselves of residence or citizenship programs. At the same time, we are aware that there are substantial institutional efforts in developing composite indicators for QoL[27], with the UN Human Development Index being one of the most comprehensive (placing reliance on life expectancy at birth, schooling, literacy rates and gross national income per capita)[28]. These factors are not sufficient in covering all civil and political liberties, for which Freedom House's *Freedom in the World*[29] is a preferable indicator for assessing democratic values. As our focus is (also) on investment, the World Bank's *Doing Business* reports[30] are relevant, as investors may have to negotiate the regulatory environment of destination countries for a variety of economic activities. We sought to anchor the framing of our questions against established indicators[31], but recognize the fact that such indicators do not necessarily correspond to what is being assessed in the GRPI. This explains why the ranking achieved by the countries for this indicator is different from the ranking in Reputation, and does not exactly correspond with other international indicators.

[27] For a review of issues in constructing a composite QoL index, and a discussion on existing QoL indices, see MR Hagerty and KC Land, 'Issues in composite index construction: The measurement of overall quality of life' in KC Land, AC Michalos, J Sirgy (eds), *Handbook of Social Indicators and Quality of Life Research* (Springer 2012)

[28] These are the factors that are taken into account in the index. In addition, other indicators are used in monitoring trends in the QoL. For a ranking and explanation, see the latest UN Development Programme Human Development Report available on *hdr.undp.org/en*

[29] For the latest report, see *freedomhouse.org/report/freedom-world/freedom-world-2014*

[30] For the latest report, see *doingbusiness.org/reports/global-reports/doing-business-2015*

[31] This is why we have not relied on ad hoc measures of quality of life, such as happiness or life satisfaction indicators

Figure 36. Quality of Life

Rank	Program	Score
1	Austria	10
1	Canada	10
1	Switzerland	10
2	Spain	9
2	Thailand	9
3	Australia	8
3	Belgium	8
3	Greece	8
3	Portugal	8
3	Singapore	8
3	US	8
4	Cyprus	7
4	Dubai/UAE	7
4	Jersey	7
4	Malta	7
4	Monaco	7
4	UK	7
5	Hong Kong	6
5	Latvia	6
6	Bulgaria	4

Tax

The concern in this factor is the tax burden that a resident is required to bear with regard to both corporate and personal economic activities. It is rare for a country not to impose any taxes on its residents; the only two countries in our list that have that distinction are Monaco and the UAE, as they do not require payment of personal income tax, property tax, capital gains taxes or net worth taxes. For the other countries, waivers and incentives for applicants with significant investments heavily influence the score arrived at. Corporate tax incentives may be provided depending on size of investment, and even on investment in particular sectors of the economy. Personal tax incentives may be provided for principal investors as well as families who satisfy criteria such as not deriving income from employment in destination countries (e.g. in Belgium, among others).

It may be noted that the tax burden in some countries is different for temporary residents and permanent residents, with the latter attracting a special tax status, as is the case with Malta. The primary point of reference for this variable is a database of the taxes imposed by countries for different activities and areas of engagement. The World Bank – PwC *Paying Taxes* reports[32] and work conducted by firms such as Bradley and Hackford in formulating a tax residence ranking[33] have been consulted, but not adhered to, rather taken into account alongside the responses we received, and other sub-factors that we have considered in conceptualizing tax residence.

Differences in tax legislations and rules in destination countries could have a significant impact. A notable example is variances in inheritance tax, given that wealth transfers to the next generation are extremely relevant, since a significant percentage of the new investors are an aged high net worth group looking also for post-retirement investment security and tax planning.

In addition to variances in tax burden for a range of engagements, tax privacy is also an issue that is considered in determining a score. In countries such as the US and Germany, there is regulatory access to the details of bank accounts, which has influenced the decisions of many citizens to choose a different tax residence. Further, taking a cue from the World Bank – PwC *Paying Taxes* reports, the time taken to file and pay taxes, whether online filing is possible, legal processes for filing taxes (such as filing and auditing of statutory accounts), and responsiveness, accessibility and reliability of tax authorities have been considered. Finally, it was taken into consideration what tax regime is applicable for a newly tax resident individual during the initial five years of residence, who has no or little local source income, rather than the normal tax regime applicable for ordinary, long-term residents. This explains the high scores, for example, of Australia or the UK: their nominal income tax rates are very high; however, for newly resident individuals who derive their income from sources outside the country, the effective tax rate can be very low or nil.

[32] The reports have quite an extensive definition of taxes (corporate income tax, social contributions, and labor taxes paid by the employer as well as property, property transfer, dividend, capital gains, financial transactions, waste collection, vehicle and road taxes, and any other small taxes or fees) and methods of payment (including time taken). For the latest report, see *doingbusiness.org/~/media/GIAWB/Doing%20Business/Documents/Special-Reports/Paying-Taxes-2015.pdf*

[33] For a summary of their findings, see *bradleyhackford.com/en/expatriation-the-top-5-least-taxed-countries-2014/*

Figure 37. Tax

Rank	Program	Score
1	Dubai/UAE	10
1	Malta	10
1	Monaco	10
1	Portugal	10
1	Thailand	10
2	Cyprus	9
3	Australia	8
3	Hong Kong	8
3	Jersey	8
3	Singapore	8
3	Switzerland	8
4	Latvia	7
4	UK	7
5	Austria	6
5	Spain	6
6	Belgium	5
6	Bulgaria	5
6	US	5
7	Canada	4
7	Greece	4

Visa-free Access

The act of becoming a resident often enhances the mobility of an individual with respect to travel to other countries, and is therefore definitely a factor that motivates residence investments. While a Chinese national can travel visa-free to 50 countries, a Chinese citizen resident in Europe's Schengen area can travel to an additional 26 countries visa-free within the area, as well as some other countries which honor Schengen residence documents. The US EB-5 Immigrant Investor visa offers permanent residence, and therefore provides visa-free access to a number of countries, especially in the Americas. Smaller countries such as St. Kitts and Nevis provide far more favorable visa-free commercial and leisure travel when compared to larger countries that house significant percentages of the world's HNWIs. The methodology for this factor is relatively straightforward; it seeks to compile the increase in mobility or additional visa-free access of an investor due to being resident in a particular jurisdiction.

Figure 38. Visa-free Access

Rank	Program	Score
1	Austria	10
1	Belgium	10
1	Greece	10
1	Latvia	10
1	Malta	10
1	Monaco	10
1	Portugal	10
1	Spain	10
1	Switzerland	10
2	Dubai/UAE	5
2	Thailand	5
2	US	5
3	Jersey	4
3	UK	4
4	Canada	3
5	Australia	2
5	Bulgaria	2
5	Cyprus	2
5	Hong Kong	2
5	Singapore	2

Processing Time and Quality of Processing

The processing time and the quality of processing are two distinct concerns, and are assessed differently. Some countries may offer a short processing time between lodging an application and issuing a visa/permit, but there may be uncertainties in administrative processes. In this regard, inputs from informants and respondents have proved valuable: the responses and analyzes have both verified the official or declared processing time, and complemented the 'hard' data on actual processing time taken (i.e. number of days) including obstructions faced.

The US EB-5 Immigrant Investor Program presented some unique problems in this regard — there had been cases of corruption and deception by intermediaries, and, importantly, a visa could be revoked if the Department of Homeland Security found that an investor made "material changes to the business plan"[34]. Canada is in a difficult position, not only because it closed its flagship Immigrant Investor Program in February 2014, but because there were several thousand applications waiting to be processed, some of which had been pending for over five years[35].

[34] See 'US citizenship and immigration policy services', 2013 Policy Memorandum on EB-5 Adjudications Policy 25

[35] J Chow and A Macdonald, 'Canada scraps lax investor-visa policy', *Wall Street Journal* (New York City, 12 February 2014)

Figure 39. Processing Time and Quality of Processing

Rank	Program	Score
1	Thailand	10
2	Malta	9
2	Switzerland	9
3	Dubai/UAE	8
3	Greece	8
3	Jersey	8
3	UK	8
4	Austria	7
4	Portugal	7
5	Australia	6
5	Belgium	6
5	Cyprus	6
5	Hong Kong	6
5	Latvia	6
5	Monaco	6
6	Bulgaria	5
6	Spain	5
7	US	4
8	Singapore	3
9	Canada	2

Compliance

Countries have different procedures and components with regard to due diligence requirements for profiling the backgrounds of applicants (including criminal records and financial statements), the source of funds, manner of fund transfer, as well as vulnerability to abuse of the funds that are invested. The standard measures adopted are best practices developed by international associations and professional agencies in relation to anti-money laundering (AML), counter-terrorist financing (CTF), and anti-bribery and corruption (ABC). The EU (unlike the US) does not have a federal procedure for conducting due diligence, and thus countries within the EU differ widely due to their national rules. Clear information and rules regarding due diligence would facilitate better risk assessments for potential investors. A more intensive due diligence requirement may be of advantage, as this would translate into less uncertainty in private investments (given that banks and financial institutions usually engage in KYC (Know Your Customer) audits in any case, regardless of the regulations in place for investment migration programs). Further, vulnerability to money laundering in different sectors could also be avoided in the presence of clear regulations.

Figure 40. Compliance

Rank	Program	Score
1	US	9
2	Canada	8
2	Switzerland	8
3	Australia	7
3	Malta	7
3	UK	7
4	Belgium	6
4	Dubai/UAE	6
4	Portugal	6
5	Hong Kong	5
5	Monaco	5
5	Singapore	5
5	Thailand	5
6	Austria	4
6	Cyprus	4
6	Latvia	4
7	Bulgaria	3
7	Greece	3
7	Jersey	3
7	Spain	3

Investment Requirements

The upfront investment amounts for residence differ in terms of stated amount, nature of investment, and additional costs attached to the amount of the upfront investment. For this indicator, we take into account the stated amount of investment. The range in the stated amount is quite broad, ranging from EUR 250,000 in Greece, to EUR 500,000 in Portugal, to GBP 2 million in the UK and AUD 5 million in Australia. The nature of the investment is not always left to the discretion of the investor, and options for different forms of investment are specified by destination governments, largely depending on policy considerations for benefits to their respective countries.

The Migration Policy Institute classifies residence-by-investment into investments with private entities, and investor-government transactions[36]. The amount is usually lower if there are more investments in government programs (by way of cash payments, charitable donations or purchase of government bonds) and if the investment is in smaller countries, but some countries in the EU also provide attractive options of investing in private residential property. Thus, specific relationships within these two broad categories affect the size and conditions of investment. Generally speaking, more choice in how to invest and lesser amounts (including additional costs) of investment allow a country to achieve a higher score.

If we take Cyprus, for instance, an acquisition of property of a minimum of EUR 300,000 is a way of acquiring permanent residence. Under the US EB-5 Immigrant Investor Program, an investor can either invest USD 1 million in a qualified US business, or USD 500,000 in a 'targeted employment area' which is rural or facing considerable unemployment. In return, the investor and their family are able to live, work or study anywhere they want within the US. Conditional investment is quite stringent in the UK — in December 2012, new immigration rules were introduced that permit the Home Office to curtail the leave of a Tier 1 Investor migrant to remain in the UK if the required investment level has not been maintained.

[36] M Sumption and K Hooper, 'Selling visas and citizenship: Policy questions from the global boom in investor migration' (2014) Migration Policy Institute

Figure 41. Investment Requirements

Rank	Program	Score
1	Austria	10
1	Belgium	10
1	Thailand	10
2	Portugal	9
3	Dubai/UAE	8
3	Greece	8
3	Latvia	8
3	Malta	8
3	Spain	8
4	Jersey	6
4	Switzerland	6
4	UK	6
5	Canada	5
5	Cyprus	5
5	Hong Kong	5
5	Monaco	5
5	US	5
6	Bulgaria	3
7	Australia	2
7	Singapore	2

Total Costs

The stated amount of investment does not constitute the total actual cost an investor has to bear to acquire residence status, and given that the nature of investment differs considerably, it is difficult to compare the actual cost of investment[37]. As we examined in Investment Requirements, the nature of investment has an impact on the amount of investment. Crucially, how investment is done also impacts its maturity, and how it can be retrieved. Investment in government bonds (such as in Bulgaria or the UK) for a number of years is a fairly low-risk form of investment in the case of countries with a good credit rating, as the original capital is returned after a fixed period of time; these investments, however, bear an opportunity cost, as the investor loses out on the interest for the stipulated period, and also carries a higher risk in the case of countries with a low credit rating.

The assessment of opportunity costs and country risk provides a useful heuristic device in examining total cost, as investors often forego other investment options to invest in residence or citizenship options. The risks associated with an investment are often not simple to determine. For instance, in Bulgaria, investments are permitted in licensed credit institutions, but it is only banks that fall under this description, and the country risk and the credit risk of these institutions need to be taken into consideration. In addition, there are transaction costs that have to be incurred, including processing fees, agent fees and due diligence fees, among others.

Documentary evidence supporting a residence application requires references from legal professionals (or other professional persons of standing), bank references and similar documentation in some countries, and the potential costs incurred for obtaining such verification are considered. In this regard, the presence of an extensive bureaucratic framework with several departments at different levels of government, as is the case with Cyprus or Bulgaria, would work against a favorable score.

The US EB-5 Immigrant Investor Program is an interesting case in point; though most investors prefer the substantially lower 'targeted employment area' investment amount, the investments are mediated by 'regional centers' which have been found to pose substantial technical and logistical challenges, in addition to cases of corruption[38]. The nature of investment also affects the involvement of the investor in the day-to-day management of the business, and therefore influences the total cost.

More choice for this sub-indicator would entail a higher score, though some investors have raised concerns about the uncertainties and volatility of foreign markets, and the value of choosing safer options. Generally speaking, we find that destination countries that take steps to reduce the opportunity costs of investors by providing a bigger choice of investments, or provide incentive-based investments, are considered to be more attractive.

[37] Ibid

[38] A Singer and C Galdes, 'Improving the EB-5 Investor Visa Program: International financing for US regional development' (2014) Project on State and Metropolitan Innovation (Brookings-Rockefeller)

Figure 42. Total Costs

Rank	Program	Score
1	Thailand	10
2	Austria	8
2	Belgium	8
2	Greece	8
2	Malta	8
2	Portugal	8
2	Spain	8
3	Australia	7
3	Dubai/UAE	7
3	Latvia	7
4	Canada	6
4	Cyprus	6
4	US	6
5	Hong Kong	5
6	Jersey	4
6	UK	4
7	Bulgaria	3
7	Singapore	3
8	Monaco	2
8	Switzerland	2

Time to Citizenship

Among the criteria relevant to assessing the attractiveness of residence programs is the time it will take until citizenship may be acquired in the target country. In those countries that are attractive destinations in this regard, relatively fast paths to citizenship are offered, as is the case in Australia, Belgium, and Canada. This is primarily because the effective time taken for naturalization in these countries is low compared to the others; what is considered here, however, is not only the formal time required, but also any physical presence required in the country within the time period. For example, the UK, although with a relatively short requirement of five years before one can apply for citizenship, has significant and strict physical presence requirements.

Where some countries are extremely prohibitive in allowing the transition from residence to citizenship — for example Switzerland, or Hong Kong (which in reality restricts effective acquisition of Chinese citizenship to ethnic Chinese) — they are not assigned a score. For this indicator, data are publicly available, and our assessments match those made by the respondents and informants.

Figure 43. Time to Citizenship

Rank	Program	Score
1	Australia	8
1	Belgium	8
2	Austria	7
2	Bulgaria	7
2	Canada	7
2	Singapore	7
3	Portugal	6
3	UK	6
3	US	6
4	Latvia	3
5	Cyprus	2
5	Jersey	2
5	Malta	2
6	Spain	1
7	Dubai/UAE	0
7	Greece	0
7	Hong Kong	0
7	Monaco	0
7	Switzerland	0
7	Thailand	0

Citizenship Requirements

For this factor, we examine all the requirements needed to qualify for naturalization after the required minimum time is fulfilled. The major factors here include: (i) minimum physical presence requirements and how these are applied in practice; (ii) additional investment requirements or other 'commitment' requirements, if any; and (iii) other requirements to qualify for citizenship, including language requirements and tests to assess cultural integration. For some countries, such as Australia, the transition from permanent residence to citizenship is less onerous than other countries, and there are minimal additional requirements. In contrast, countries, such as Austria, that provide conducive conditions for attracting investors have stringent physical presence requirements (6–10 years of almost uninterrupted presence), but have fewer additional requirements that need to be met. Proof of continuous presence can be onerous, with the requirement of providing documents such as tax returns and tenancy agreements. Although the US EB-5 Immigrant Investor Program has physical presence requirements (half of the time for the first two years) and a five-year transition period to apply for naturalization, it still remains one of the easiest and most sought-after programs to acquire citizenship following a period of residence.

The additional requirements for transitioning from residence to citizenship can often prove to be onerous even in liberal democracies, owing to a prevailing sense of cultural integration as a duty that prospective citizens must satisfy[39]. In this regard, the traditional 'immigration countries' of Australia, Canada and the US appear to demonstrate much less prejudice than several member states of the EU.

[39] See D Kochenov, M De Jong Gaat Eten, 'EU citizenship and the culture of prejudice' (2011) 6 European University Institute and Robert Schuman Centre for Advanced Studies

Figure 44. Citizenship Requirements

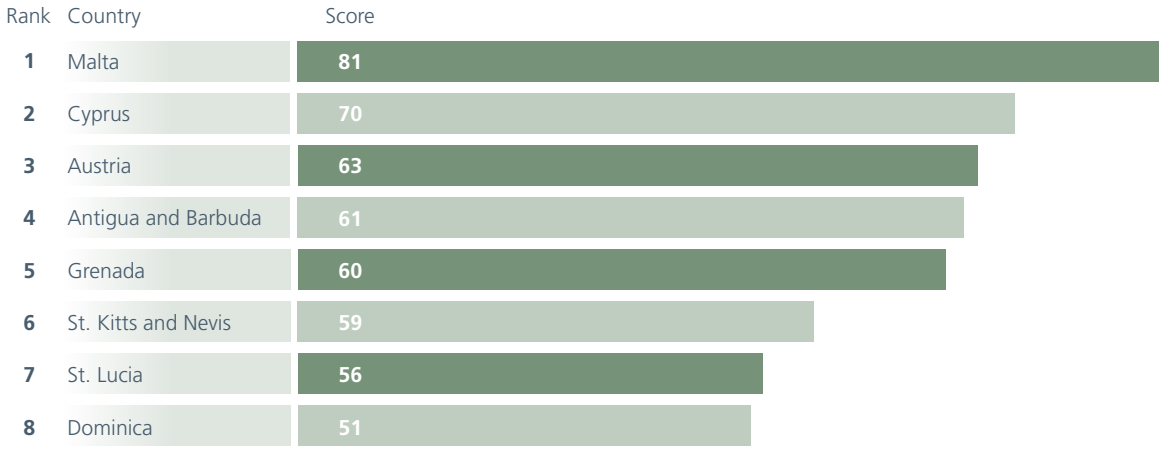
Rank	Program	Score
1	Australia	8
1	Canada	8
1	Jersey	8
1	US	8
2	Belgium	7
2	Portugal	7
2	UK	7
3	Austria	6
4	Singapore	3
5	Bulgaria	2
5	Malta	2
6	Cyprus	0
6	Dubai/UAE	0
6	Greece	0
6	Hong Kong	0
6	Latvia	0
6	Monaco	0
6	Spain	0
6	Switzerland	0
6	Thailand	0


Mar
Feb

The GCPI

The methodology employed for the GCPI is the same as that of the GRPI discussed earlier in the report (page 100). Accordingly, the explanations provided for several of the GRPI indicators apply to the GCPI indicators. It may be noted that among our respondent and informant base for the GCPI are government officials and consultants engaged in citizenship-by-investment programs that have been discontinued, as well as those that are in the process of being established or reformed.

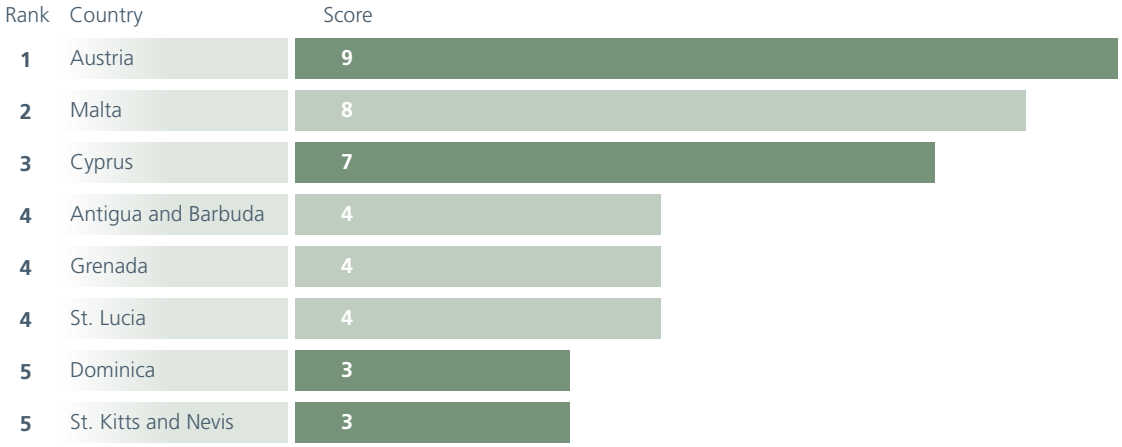
Figure 45. The GCPI 2017–2018



Factors

- Reputation
- Quality of Life
- Visa-free Access
- Processing Time and Quality of Processing
- Compliance
- Investment Requirements
- Residence Requirements
- Relocation Flexibility
- Physical Visit Requirements
- Transparency

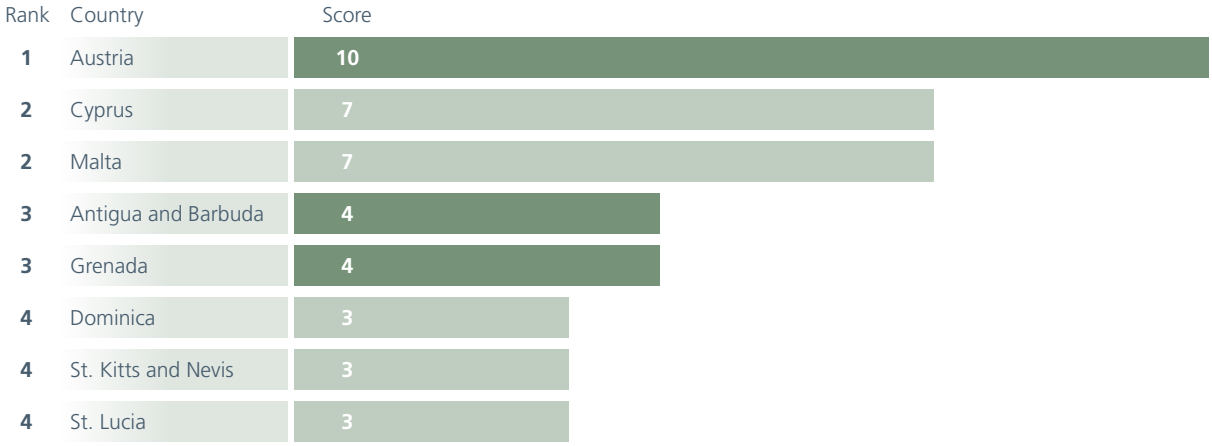
Figure 46. Reputation



This factor places reliance on the perceptions of investors and advisors regarding the image of countries in which they invest. This indicator is, by its nature, subjective, but much like the Attractiveness Indicators employed in the IMD in their Executive Opinion Surveys, its intention was to allow space for our respondents and informants to consider intangible and unanticipated factors in assessing the reputation of destination countries. The endeavor to assess reputation is not new, as the relationship between reputation and outcome is a popular mechanism of assessing the competitiveness of organizations, cities, and even regions[40]. Further, much like corporate reputation, the reputation of a country is an historical indicator that allows assessment of the levels of success of countries' previous efforts in meeting investor expectations. We would note that despite St. Kitts and Nevis being the first country in the world to introduce a citizenship-by-investment program in 1984, it would not previously have measured up favorably against this indicator. However, it has subsequently in 2006/2007 significantly revised its program with the professional assistance of Henley & Partners, which was mandated until mid-2013 under a government contract related to the citizenship-by-investment program, in particular its global promotion.

[40] Drawing on organizational and regional reputation, the reputation of a country could be characterized as the aggregation of a single stakeholder's perceptions of the capacity of the country to meet demands and expectations of several stakeholders. Further, given 'brand management' exercises performed by different countries, the satisfaction of perceived expectations is an important criterion. See W Lever, 'Competitive cities in Europe' (1999) 36 Urban Studies 1029; S Anholt, *Competitive Identity: The New Brand Management for Nations, Cities and Regions* (Palgrave McMillan, 2007)

Figure 47. Quality of Life



The assessment of Quality of Life (QoL) has in different contexts relied on diverse methods of assessing subjective perceptions of different sample groups, as well as developing factors that are independent of subjective perceptions. Like Reputation, QoL could well benefit from the actual experiences of investors and what is particularly relevant for the type of person seeking to avail themselves of residence or citizenship programs. At the same time, we are aware that there are substantial institutional efforts in developing composite indicators for QoL[41], with the UN Human Development Index being one of the most comprehensive (placing reliance on life expectancy at birth, schooling, literacy rates and gross national income per capita)[42]. These factors are not sufficient in covering all civil and political liberties, for which Freedom House's *Freedom in the World*[43] is a preferable indicator for assessing democratic values. As our focus is (also) on investment, the World Bank's *Doing Business* reports[44] are relevant, as investors may have to negotiate the regulatory environment of destination countries for a variety of economic activities. We sought to anchor the framing of our questions against established indicators[45], but recognize the fact that such indicators do not necessarily correspond to what is being assessed in the GRPI.

41 For a review of issues in constructing a composite QoL index, and a discussion on existing QoL indices, see MR Hagerty and KC Land, 'Issues in composite index construction: The measurement of overall quality of life' in KC Land, AC Michalos, J Sirgy (eds), *Handbook of Social Indicators and Quality of Life Research* (Springer 2012)

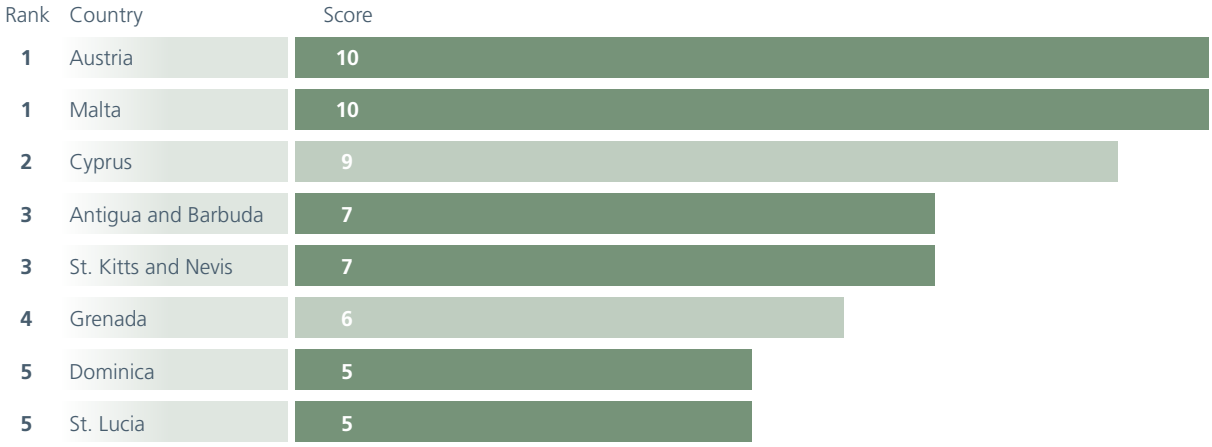
42 These are the factors that are taken into account in the index. In addition, other indicators are used in monitoring trends in the QoL. For a ranking and explanation, see the latest UN Development Programme Human Development Report available on *hdr.undp.org/en*

43 For the latest report, see *freedomhouse.org/report/freedom-world/freedom-world-2014*

44 For the latest report, see *doingbusiness.org/reports/global-reports/doing-business-2015*

45 This is why we have not relied on ad hoc measures of quality of life, such as happiness or life satisfaction indicators

Figure 48. Visa-free Access



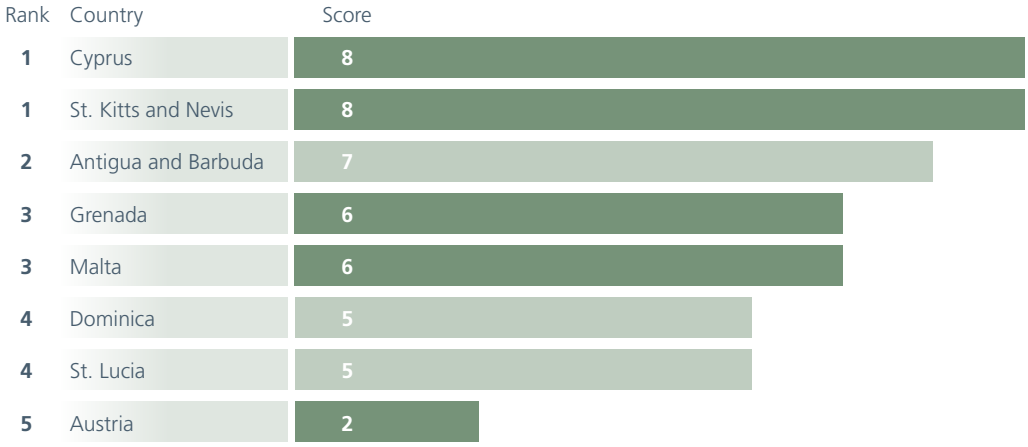
Reliance has been placed on the *Henley & Partners Visa Restrictions Index 2017* (HVRI) that curates data from 219 destination countries/territories collated by IATA[46] to arrive at the ranking. The HVRI is an index that compiles, compares and updates data on the number of countries that a citizen of a given country can visit without requiring a visa in advance. Other than being an end in itself, a relaxed travel policy signals characteristics of the country's political regimes and the extent of its civil liberties[47].

Our informants corroborate with our respondents that visa-free access is an essential indicator for selecting citizenship of a particular country. As with the GRPI, EU member states fare well in this indicator. Among the other countries, visa-free access to counties in the Schengen area or to the UK is possible either because of colonial ties that allow easier travel for citizens of overseas territories of EU member states, or because of visa-waiver agreements that have been signed.

46 International Air Transport Association, Netherlands

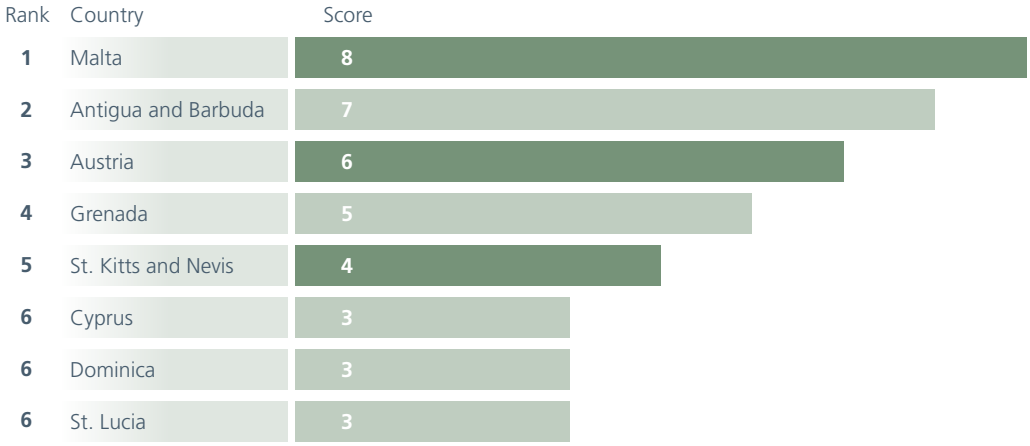
47 J Alemán and S Woods, 'No way out: travel restrictions and authoritarian regimes' (2014) 3 Migration and Development 285

Figure 49. Processing Time and Quality of Processing



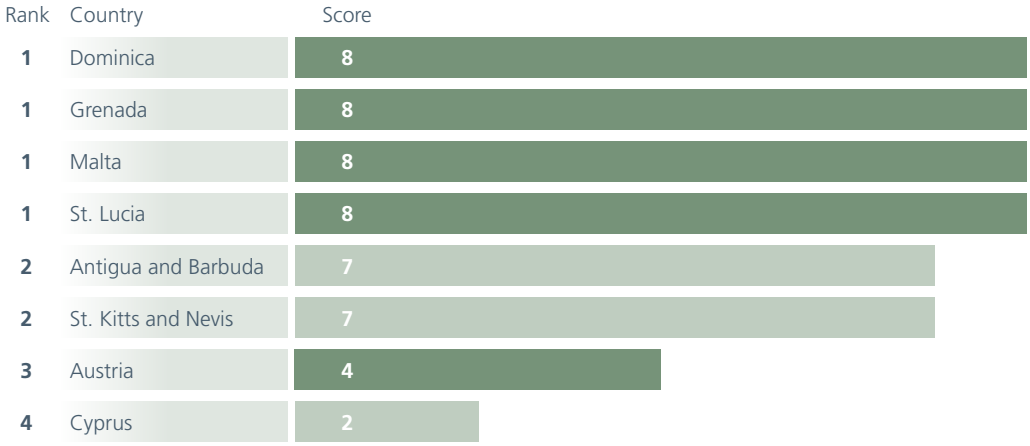
Some countries may offer the advantage of a short processing time between lodging an application and approval of citizenship, but the enjoyment of this advantage may be obstructed by uncertainties in administrative processes. In this regard the inputs from our informants and respondents have proved very valuable: the responses and analyses have both verified the official or declared processing time, as well as complemented the 'hard' data on actual time taken (i.e. number of days) with obstructions faced in the processing of a citizenship application.

Figure 50. Compliance



Countries have different procedures and components with regard to due diligence requirements for profiling the backgrounds of applicants (including criminal records and financial statements), the source of funds, manner of transfer of funds, as well as vulnerability to abuse of the funds that are invested. The standard measures adopted are best practices developed by international associations and professional agencies in relation to anti-money laundering (AML), counter-terrorist financing (CTF), and anti-bribery and corruption (ABC). Clear information and rules regarding due diligence would facilitate better risk assessments for potential investors. A more intensive due diligence requirement may be of advantage, as this would translate into less uncertainty in private investments (given that banks and financial institutions usually engage in KYC (Know Your Customer) audits in any case, regardless of the regulations in place for investment migration programs). Further, vulnerability to money laundering in different sectors could also be avoided in the presence of clear regulations.

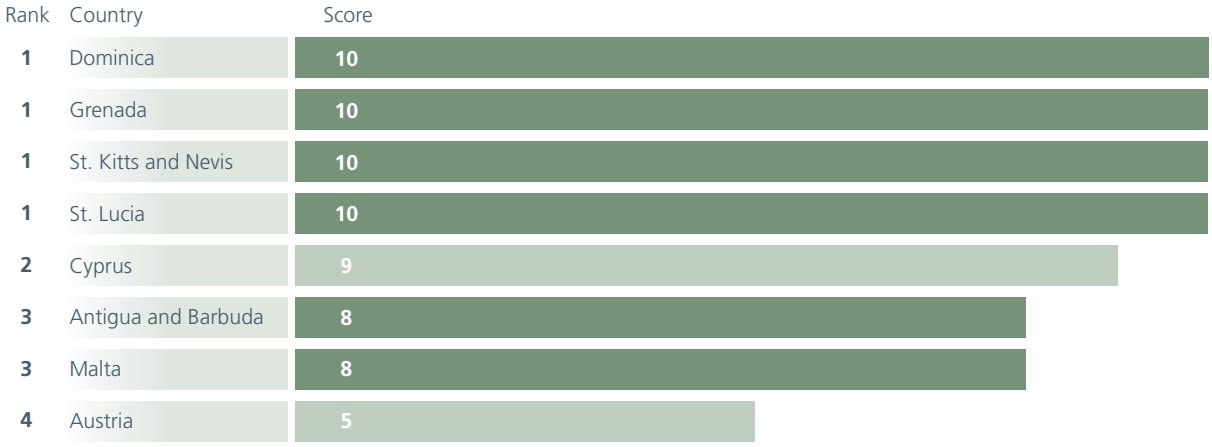
Figure 51. Investment Requirements



Investment for residence and investment for citizenship are two distinct categories, as there may be a route to direct citizenship without having to undergo a residence requirement. Given the unique nature of a citizenship-by-investment program, the amount of investment is substantial, and the accompanying conditions do not provide much choice regarding the nature of investment. There is a pattern that can be noticed among the investments required for such programs: they involve investments of amounts that are generally larger than residence-by-investment programs, there is usually a requirement or at least an option to purchase real estate, and usually a requirement or an option to make a non-refundable contribution.

Dominica has no residence requirement and offers citizenship for the least amount of investment; it should be noted, however, that such investment in the country is in the form of a compulsory non-refundable contribution. Among those programs that allow a recoverable investment, a distinction may be made between active and passive investments. Generally speaking, active investments in the citizenship route normally have several conditions attached, such as specific types of businesses and projects (export oriented, public sector) that investors can invest in, and the conditions that need to be fulfilled (creation of jobs, for instance). Different options of how investments can be done are sometimes provided, as is the case in Cyprus, and in Antigua and Barbuda. The latter allows choices between an investment that is non-refundable (of a lower amount), a passive investment in a real estate project, and an active investment in business. Contrary to the responses to the investment indicator for the GRPI, it appears that investors in countries that have citizenship-by-investment programs prefer safer and more passive investments, primarily because of the information costs associated with negotiating in new markets.

Figure 52. Residence Requirements



None of the countries ranked impose onerous conditions of residence — such is the nature of citizenship-by-investment, i.e. one of the key elements of the citizenship-by-investment concept is that the residence requirements are reduced substantially or are waived. Smaller countries keen on attracting investment avail themselves of the competitive advantage of waiving or substantially reducing residence requirements. As is clear from the list above, residence requirements imposed by the Caribbean countries and Cyprus are either absent or minimal.

Figure 53. Relocation Flexibility

Rank	Country	Score
1	Austria	10
1	Cyprus	10
1	Malta	10
2	Antigua and Barbuda	3
2	Dominica	3
2	Grenada	3
2	St. Kitts and Nevis	3
2	St. Lucia	3

An assessment of the number of citizenship investors in different countries reveals that a substantial percentage apply for the migration of family members, with the intention of either settling in the destination country, or keeping the option open for an exit strategy in the event that there is a need to leave their home countries. We first sought out the preferences of investors to relocate, or the revealed preference of investors actually relocating, to gauge which countries are conducive to relocation. Subsequently, we assessed the factors that render relocation easier.

In this regard, member states of the EU have a clear advantage, as a citizen of an EU member state can consider relocating to another member state, plus several additional countries that have agreements with the EU, such as Switzerland. Though such relocation is not automatic, the rules are well established and they provide clarity on how and when relocation to another EU member state is permissible, and the process entails lower information costs.

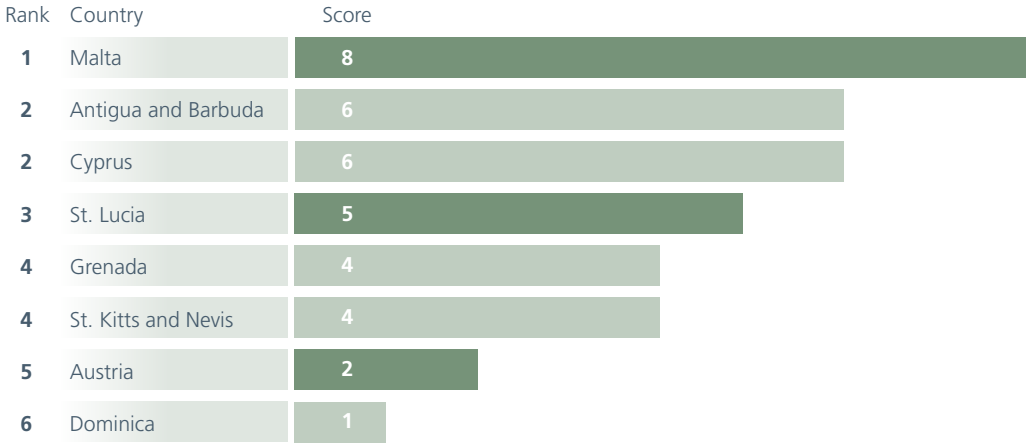
Furthermore, EU law provides very few restrictions on the freedom to relocate for citizens who are able to financially support themselves. The rule of law has been found to play an important part in informing investors' choice in relocation; confidence in a fair process for securing personal freedom, settling investment disputes and ability to negotiate with government authorities point towards a higher score. Destination country efforts towards enabling family unification, and ease in dealing with private property, lessen the uncertainties that relocation might entail.

Figure 54. Physical Visit Requirements

This indicator assesses whether actual physical visits are required as part of the citizenship application process, usually for the purpose of: (i) interviews and oath-taking ceremonies; and (ii) renewal of passports. In the event that there are such requirements, we sought to identify the number of visits required, and the nature of bureaucratic processes that precede such visits.

In general, the European programs have more requirements than the Caribbean programs. Malta requires two mandatory visits, and Cyprus one visit. The Austrian requirements are variable and set on a case-by-case basis. Most of the Caribbean programs do not require a physical visit any more, and citizenship can be confirmed at an embassy or through a lawyer or notary.

Figure 55. Transparency



The World Economic Forum identifies four indicators of transparency for a citizenship-by-investment program: public support, evaluation studies, availability of public data, and criteria for due diligence[48]. Currently, no countries in the GCPI publish evaluation studies of the investments that flow in from applicants, and this therefore does not feature in our assessment. The other three criteria, however, have informed the structuring of our surveys, and informants consulted on these points. We sought to inquire about the access to clear information about different stages of the application process, including the practices of conducting due diligence, and the utilization of funds injected into the destination country by prospective citizens. We find the latter to be a sub-indicator worth noting, as many respondents wish to understand (and, if possible, choose) the purposes for which their investments are used.

As the manner in which investments are deployed is often predetermined, it is difficult to influence such choices. However, subsequent visibility of such contributions in domestic projects, and earmarking of funds, have been found to play a role in investors' decisions and the perception of transparency. One clear advantage of such information is the ability of investors to conduct meaningful risk assessments; further, the impact of investments on existing and potential businesses in destination countries could influence business decisions[49]. The most important aspect, however, for transparency, is the rules and regulations, the processes and their implementation in the day-to-day administration of the program. Here, countries such as Malta, which have a clear framework of rules and regulations and a highly transparent and accountable system of process and administration of its program, score highest.

48 World Economic Forum, 'Global Citizenship: Planning for Sustainable Growth', (Geneva 2014)

49 For a case study on the impact of large investments in destination countries, see A Bongardt and M Santos Neves, 'The Chinese business community at a crossroads between crisis response and China's assertive global strategy: The case of Portugal' (2014) 2 Migration Policy Centre

Resources

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Antigua and Barbuda
+1 268 562 2625
antigua@henleyglobal.com

Australia
+61 3 8658 5994
australia@henleyglobal.com

Austria
+43 1361 6110
austria@henleyglobal.com

Canada
+1 514 288 1997
canada@henleyglobal.com

China
+86 20 8919 6632
china@henleyglobal.com

Croatia
+385 21 321 027
croatia@henleyglobal.com

Cyprus
+357 2531 1844
cyprus@henleyglobal.com

Grenada
+1 473 443 4000
grenada@henleyglobal.com

Hong Kong
+852 3101 4100
hongkong@henleyglobal.com

Jersey/British Isles
+44 1534 514 888
jersey@henleyglobal.com

Latvia
+371 66 05 1009
latvia@henleyglobal.com

Lebanon
+961 76 834 632
lebanon@henleyglobal.com

Malaysia
+603 2731 9340
malaysia@henleyglobal.com

Malta
+356 2138 7400
malta@henleyglobal.com

Philippines
+632 669 27 71
philippines@henleyglobal.com

Portugal
+351 213 970 977
portugal@henleyglobal.com

Singapore
+65 6438 7117
singapore@henleyglobal.com

South Africa
+27 21 850 0524
southafrica@henleyglobal.com

South Korea
+82 10 5147 2300
korea@henleyglobal.com

St. Kitts and Nevis
+1 869 465 6220
stkitts@henleyglobal.com

St. Lucia
+1 758 458 9777
stlucia@henleyglobal.com

Switzerland
+41 44 266 22 22
switzerland@henleyglobal.com

Thailand
+662 041 4628
thailand@henleyglobal.com

Turkey
+90 212 373 9588
turkey@henleyglobal.com

UAE
+971 4 392 77 22
dubai@henleyglobal.com

UK
+44 207 823 10 10
uk@henleyglobal.com

Vietnam
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Useful Websites

General

International Professional Associations

Investment Migration Council – *investmentmigration.org*
International Bar Association – *ibanet.org*
International Fiscal Association – *ifa.nl*
International Tax Planning Association – *itpa.org*
Society of Trust and Estate Practitioners – *step.org*

Country Information

CIA World Fact Book – *cia.gov/library/publications/the-world-factbook/*
Country Watch – *countrywatch.com*
Economist Intelligence Unit – *eiu.co*
European Citizenship Laws – *eudo-citizenship.eu/national-citizenship-laws*
European Succession Laws – *successions-europe.eu*
Henley & Partners – Kochenov Quality of Nationality Index – *nationalityindex.com*
IATA Travel Centre Visa Information – *iata-travelcentre.com*
Mercer Quality of Living Reports – *mercer.com/qualityofliving*
US State Department Travel Information – *travel.state.gov*

International Organizations

CARICOM – *caricom.org*
EFTA – *efta.int*
European Commission – *ec.europa.eu*
Financial Action Task Force – *fatf-gafi.org*
International Monetary Fund – *imf.org*
OECD – *oecd.org*
World Bank – *worldbank.org*

Selected Countries

Antigua and Barbuda

Government – *ab.gov.ag*
Antigua and Barbuda Investment Authority – *investantiguabarbuda.org*
Antigua and Barbuda Citizenship by Investment Unit – *cip.gov.ag*

Australia

Government – *australia.gov.au*
Department of Immigration and Border Protection – *border.gov.au/citizenship*

Austria

Federal Government – *help.gv.at*
Vienna Government – *wien.gv.at*
Austrian Business Agency – *investinaustria.at*

Belgium

Federal Government – *belgium.be*
Investment Agency – *business.belgium.be*
Foreign Affairs and Foreign Trade – *diplomatie.be*

Bulgaria

Government – *government.bg*
Ministry of Foreign Affairs – *mfa.bg*

Canada

Federal Government – *canada.gc.ca*
Federal Immigration and Citizenship – *cic.gc.ca*
Border Agency – *cbsa.gc.ca*
Québec Immigration – *immigration-quebec.gouv.qc.ca*

Cyprus

Government – *cyprus.gov.cy*
Ministry of Interior – *moi.gov.cy*
Cyprus Investment Promotion Agency – *investcyprus.org.cy*

Dominica

Government – *dominica.gov.dm*
Invest Dominica – *investdominica.dm*
Commonwealth of Dominica Citizenship by Investment Unit – *cbiu.gov.dm*

Greece

Government – *parliament.gr*
Enterprise Greece – *enterprisegreece.gov.gr*

Grenada

Government – *gov.gd*
Grenada Citizenship by Investment – *cbi.gov.gd*

Hong Kong

Government – *gov.hk*
Immigration Department – *immd.gov.hk*
Tax Authorities – *ird.gov.hk*
Trade and Industry Department – *tid.gov.hk*

Jersey

Government – *gov.je*
Locate Jersey – *locatejersey.com*
Jersey Finance – *jerseyfinance.je*
Jersey Business – *jerseybusiness.je*
Chamber of Commerce – *jerseychamber.com*

Latvia

Government – *saeima.lv*
Office of Citizenship and Migration Affairs – *pmlp.gov.lv*

St. Lucia

Government – *govt.lc*
St. Lucia Citizenship by Investment Unit – *cipsaintlucia.com*

Malta

Government – *gov.mt*
Ministry of Finance – *finance.gov.mt*
Tax Authorities – *ird.gov.mt*
Malta Financial Services Authority – *mfsa.com.mt*
Finance Malta – *financemalta.org*
Malta Enterprise – *maltaenterprise.com*
Identity Malta – *identitymalta.com*

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Portugal

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Portugal Global Trade & Investment Agency – *portugalglobal.pt*
Immigration and Borders Service – *sef.pt*

Singapore

Government – *gov.sg*
Economic Development Bureau – *edb.gov.sg*
Entering Singapore for Business – *sedb.com*
Monetary Authority – *mas.gov.sg*

Spain

Government – *lamoncloa.gob.es*
Ministry of Foreign Affairs and Cooperation – *exteriores.gob.es*

St. Kitts and Nevis

Government – *gov.kn*
Sugar Industry Diversification Foundation – *sidf.org*
St. Kitts and Nevis Citizenship by Investment Unit – *ciu.gov.kn*

Switzerland

Federal Government – *admin.ch*
Federal Office for Migration – *auslaender.ch*
Federal Tax Authorities – *estv.admin.ch*

Thailand

Government – *mfa.go.th*
Thailand Elite Official Direct Application Portal – *thailandelite-direct.com*

UAE

Federal Government – *government.ae/en*
Ministry of Foreign Affairs – *mofa.gov.ae/mofa_english*
Abu Dhabi Government – *abudhabi.ae/en*
Dubai Government – *dubai.ae*
Jeleb Ali Free Zone – *jafza.ae*
Dubai International Financial Center – *difc.ae*
Jumeirah Lakes Tower Free Zone – *dmcc.ae*

United Kingdom

Government – *direct.gov.uk*
Immigration Authorities – *ukba.homeoffice.gov.uk*
Foreign and Commonwealth Office – *fco.gov.uk*
Tax Authorities – *hmrc.gov.uk*

United States

Federal Government – *usa.gov*
Tax Authorities – *irs.gov*
Department of Homeland Security – *dhs.gov*
Transportation Security Administration – *tsa.gov*
Citizenship and Immigration Services – *uscis.gov*

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