Dear Editor,

Re: A Quick Sale of our Identity

Unfortunately, your article under that headline, on 1st. April was not an April Fool. It raises an issue that is critical to Vanuatu

How interesting that this challenge to the whole concept of “selling citizenship” targets only DSP, the program under which 38 ni-Van agents are appointed, and makes no mention of the Chinese who profit most from this “quick sale” under the Vanuatu Contribution Program (VCP) operated by Pacific Resource Group in Hong Kong (PRG).

The single Chinese PRG group sells at least 5 times as many citizenships (passports) as the 38 ni-Vanuatu agents combined manage to sell between them! But Charles Hakwa failed to do his homework and target the main culprits.

How can they achieve that outperformance and dodge the criticism? Vanuatu Registry Services Ltd (VRS) has kept silence for nearly 4 years out of respect to the fact that it has 2 cases in the Supreme Court addressing these issues. But, inasmuch as VRS has been brought into the mix in your article and witnessing the targetting of the struggling ni-Van agents for the commercial gain of VCP, public interest compels us to offer an explanation.

It was VRS that promoted the concept of allowing Vanuatu to compete in the international Citizenship Investment Program market, to the government and we, together with VFSC, funded the community awareness programme that led to the change in the Constitution to recognize dual nationality.

But we designed CIIP with great care in consultation with an inter-departmental committee that included Citizenship Commission, Internal Affairs, Foreign Affairs, VFSC and Labour Department. CIIP was designed to be responsible and transparently beneficial to the nation. It required applicants to keep a Vanuatu company alive for at least 7 years and for nearly 50% of the cost to be invested in approved infrastructure projects that would support Vanuatu’s long-term foreign income earner, the tourist industry. It also required a nominal period of residence in Vanuatu.

The government entered into an exclusive binding contract with VRS and in performance of that contract, published in the Immigration (Visa Regulation) Order No 115/2013 that the right to be granted Vanuatu citizenship with less than 10 years residence was the exclusive privilege of applicants under CIIP.

But, within days of the final CIIP procedural Regulations being published, PRG entered into a conspiracy with then Minister of Internal Affairs, Paul Telukluk, to replace CIIP with a new program of which PRG would be the sole agent. PM Carcasses stepped in to stop it at that time.

In February PRG tried again, through then Minister of Internal Affairs, to create a replacement for CIIP called Vanuatu Direct Contribution Program. The Council of Ministers rejected it on the grounds of its conflict with CIIP.

Then came Cyclone Pam, which presented them with the perfect opportunity to dress up their cynical conspiracy in the clothing of “rehabilitating Vanuatu”. Vanuatu desperately needed funds and created VERP but, inexplicably and without ever attempting to explain or justify, refused to accept the revenue from CIIP applicants or to process their cases.

CIIP was not suspended on March 21, 2016 for not generating revenue as anticipated, as your article claimed. That ground was not available to them as they themselves had refused to accept our revenue! It was suspended on the change of Prime Minister in early June 2015 with the false excuse that we had not accounted for the funds received under the plan. The decision was transparently political and merely a continuation of the ongoing conspiracy.

Over the next few years, the terms for VERP and, later, its replacement VCP, were made steadily more and more attractive, lifting the suspension of CIIP only when they had made certain that it was commercially impossible to market in competition with PRG.

Having succeeded in strangling CIIP, PRG had the market to themselves for their program that has none of the nation-building safeguards of CIIP but allows the entire revenue to disappear into the current budget.

Then came DSP as a result of the Leader of the Opposition criticizing the Prime Minister in Parliament, in November 2016, for secretly granting the newly intended VCP program exclusively to a foreign enterprise – PRG. DSP was hastily cobbled together to give the appearance of supporting the locals. Which, to a point, it does, so that PRG has needed to chip away at their privileges to achieve death by 1,000 cuts as was done with CIIP.

This is being achieved as we “speak” by:

1. Applying a sales quota for agents’ appointment to continue – which doesn’t apply to VCP;
2. Setting a minimum sales price for the sale to Chinese nationals – which doesn’t apply to VCP;
3. Extending the minimum sales price to all applicants (now proposed) – which doesn’t apply to VCP;
4. Proposing to forfeit 25% of the application fee of an applicant who fails even after being cleared by FIU (now proposed) – which doesn’t happen anywhere else in the market competition, doesn’t apply to VCP and would be a death blow to DSP.
5. Publicly denouncing DSP as “selling our sovereignty” while not even mentioning VCP, which sells more than 5 times as much as all ni-van DSP agents combined, without any of the community-building features of CIIP and with the total control and lion’s share of the profits surrendered to Hong Kong-based Chinese.

It should be noted that “citizenship by investment programs” have been used for decades for the purpose of raising revenue, in about 40 jurisdictions, including Australia, Canada, the United Kingdom and the United States of America.

Do you see a trend here? This should be a wake up call for the people of Vanuatu, to open their eyes, follow the money and draw their own conclusions.

Yours truly.