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August/September 2019

A GUIDE TO GLOBAL CITIZENSHIP

THE 2019 CBI INDEX

in association with

CS Global partners

A publication from the **Financial Times**

The 13 citizenship by investment jurisdictions

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CBI a valuable tool for those who see themselves as global citizens

WRITTEN BY **YURI BENDER**

INTRODUCTION

Wealthy individuals and their families seek second citizenship for a number of reasons while the benefits for nations offering CBI schemes can be considerable

Participants in an industry which offers citizenship for predominantly smaller nations, in exchange for investments in local facilities including tourism and infrastructure, report increasing demand for their services. They put this down to growing wealth and the tendency for high net worth individuals to become more globally minded.

They also see this acquisition of citizenship, for a price, as a legitimate device to help people from restricted countries travel more freely. A second citizenship or passport can also be a good insurance policy if things turn ugly back home.

Demand, they say, is now spreading to all corners of the globe.

"Investors from unstable regions will use citizenship by investment (CBI) to shield assets from nationalisation, social unrest or revolutionary risk," says one senior private banker.

Legal consultancy firms which specialise in providing CBI solutions for many jurisdictions, including CS Global Partners and Henley & Partners, both based in London, say the main reasons their clients need second passports are security, plus broadening opportunities for their families in business, travel and education.

CHINESE DEMAND

Due to its massive population and growing economy, China offers one of the most lucrative hunting grounds for CBI scheme providers. Its inhabitants, and those of other regions of growing wealth, are demanding greater mobility and are prepared to pay for citizenships which allows this.

> **There is definitely a hierarchy, in descending order of disdain for countries that sell their citizenships too cheaply**
>
> JOHN ERRINGTON ERRINGTON BOSE IMMIGRATION SERVICES

Due to its massive population and growing economy, China has probably the biggest influence on the major and citizenship by investment programmes

Chinese applicants account for approximately 45 per cent of applications approved by the major Caribbean CBI programmes, according to Christofer Ashby, managing director of L'esterre Holdings Inc, a Grenada-based property developer specialising in CBI projects.

For Chinese clients, investment migration is often driven by the education of their children, for whom they normally prefer Western, especially US, universities. Grenada's CBI programme, for instance, offers a multiple E-2 visa treaty with the US, allowing approved applicants to live and work there with the majority of the benefits of a resident, but without the costs or time of obtaining an EB-5 US visa, according to Mr Ashby.

Commentators assert that because there is now such a long waiting list for US and UK residence visas, "spill-over" clientele are directing their applications to CBI schemes from other centres.

Dominica's scheme has helped to mitigate some of the devastating damage to housing and infrastructure wreaked by Hurricane Maria in 2017

Industry specialists report that the majority of CBI applications are for schemes from the likes of Dominica, Grenada and St Kitts and Nevis in the Caribbean, and Cyprus and Malta in the European Union.

St Kitts & Nevis was the first nation to implement a CBI programme, while Dominica's is hugely important to its economy, helping mitigate the devastating damage wreaked by Tropical Storm Erika in 2015 and Hurricane Maria in 2017.

WELL REGARDED

At Errington Bose Immigration Services in London, St Kitts and Nevis and Antigua and Barbuda are seen as particularly popular for CBI applications, among the firm's clientele, which has strong Middle Eastern, Russian and Central American contingents.

"For clients with multiple citizenship strategies, these jurisdictions tend to fit their circumstances better than others," says John Errington, the specialist law firm's managing director.

Travel documents issued by other countries which are involved in CBI schemes are not always so well respected, he suggests.

"There is definitely a hierarchy, in descending order of disdain for countries that sell their citizenships too cheaply. It is not illegal, but it is not the purpose of EU treaties," warns Mr Errington.

Maltese and Cypriot economic citizenship programmes have been recently criticised by members of the European Parliament, calling for them to be phased out.

Both Henley & Partners and CS Global Partners say any programme deploying enhanced due diligence would not accept applicants that break any rule that could lead to criminal prosecution in their home country in order to provide their CBI investment stake.

Caribbean property developers say that most investors from outside the region buying into real estate through CBI programmes already have legal funds both inside and outside their home jurisdictions.

Critics of CBI schemes often imply that the hubs which provide passports accept migrating tycoons who have broken strict exchange controls in their own countries, in order to expatriate the substantial sums needed to buy real estate or invest in industry.

But this is countered by the law firms. "Most of the ultra-high net worth investment clients that we deal with already changed their domicile years ago and now look to further optimise their current situation with regard to residence and citizenship planning," says Dr Juerg Steffen, Group CEO at Henley & Partners. "This means they don't fall under the capital transfer limitations."

This is confirmed by the CEO of a major global private bank, who says most clients from politically volatile jurisdictions have already made "alternative plans".

These plans continue to evolve as the geopolitical situation develops. "When visiting Lebanon and Jordan, even Israel, every single conversation in the Middle East is about contingency planning, about what to do if there is an escalation of insecurity or an outright war," says the well-connected banker. "What is their Plan B, C or D? Syria or Venezuela can happen anywhere, any day."

Before, most wealthy individuals chose to move to the UK or US, but these destinations may have lost something of their traditional appeal.

"A lot of Middle Easterners don't want to come to the US, just as a lot of Europeans don't want to come to the UK anymore because of Brexit," he says.

"Families are looking at Malta, Portugal and Cyprus in the EU. These are the countries opening their doors with investor visas and offering facilitation of citizenship and investment projects."

Henley & Partners also talk about a notion of "sovereign equity", where assets from wealthy individuals are transferred to developing countries through their CBI programmes to help create significant sovereign and societal value.

Through engaging with the global community of high net worth investors, developing nation governments can achieve fiscal independence and address growing imbalances and inequalities inherent to traditional sovereign debt financing, runs this argument.

And while full disclosure of the use of CBI proceeds is not yet universal, there is often much work which benefits society going on behind the scenes.

L'esterre's Mr Ashby talks about how Dominica uses CBI proceeds to create "material positive impact" and a "clear social dividend". PWM

The 2019 CBI Index

The CBI Index is a comprehensive, data-driven comparison tool of citizenship by investment programmes worldwide, offering individuals and entities a practical guide to the different programmes and their comparative strengths. Now entering its third year, the 2019 CBI Index is the industry's most reliable and user-friendly source of information on today's programmes, the key issues shaping investor interest, and the future direction of citizenship by investment.

Since the publication of the 2018 CBI Index, the industry has continued its rapid evolution, with several significant changes taking place. Vanuatu has modified one of its two programmes, the Development Support Programme, to award citizenship as opposed to honorary citizenship, Cyprus has revised application criteria and added new donations to the Cyprus Land Development Corporation and the Research and Innovation Foundation, and countries have boosted their visa-free offerings and added new investment routes. Key developments include increased collaboration between citizenship by investment jurisdictions, the tax implications of being a citizen versus those of being a resident, and a greater focus by countries on utilising applicant funds for socioeconomic purposes within their communities.

Challenges have come in the form of corrective action against agents operating outside programme boundaries, rising investor demand, and a higher degree of scrutiny from the global community.

Montenegro and Moldova both sought to enter the citizenship by investment scene. However, the former is still not accepting applications, while a moratorium was placed on applications to the latter in anticipation of its cancellation. For this reason, they are not included in the 2019 CBI Index.

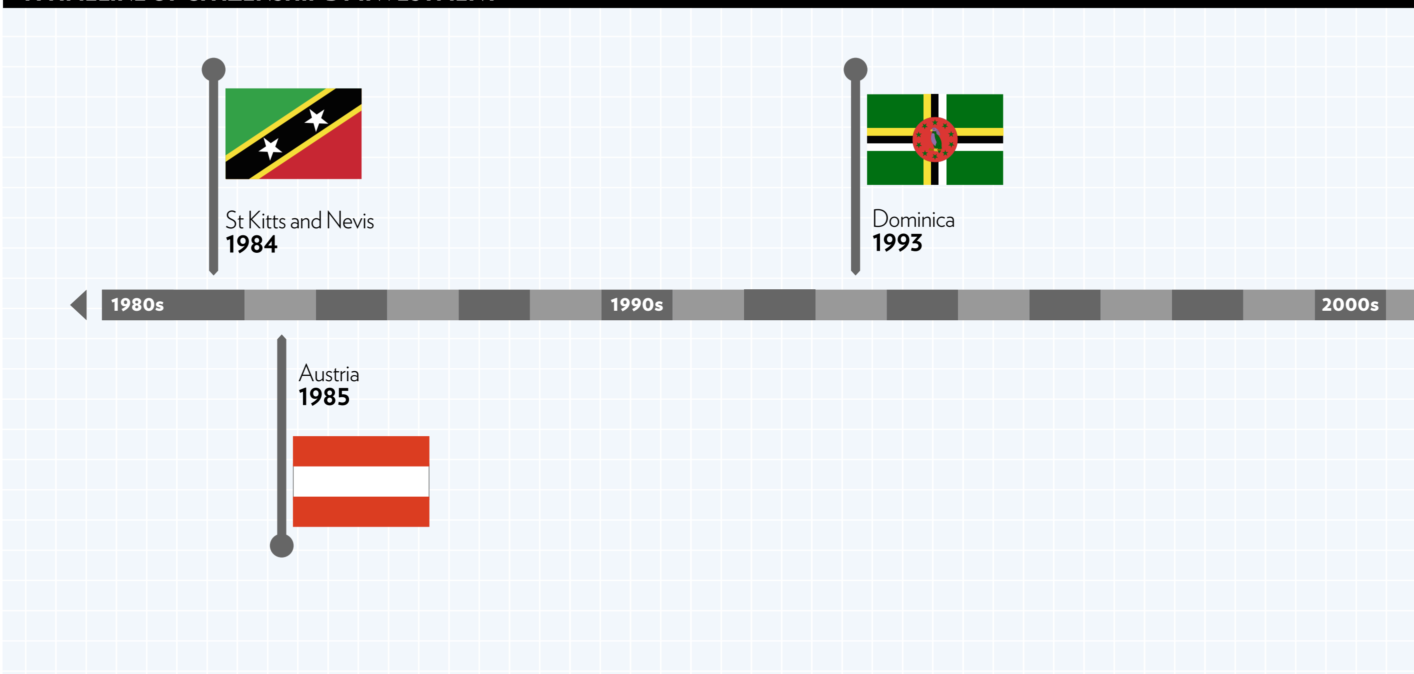
Jordan and Turkey, last year's new entrants, have held their ground in the industry.

The 2019 CBI Index therefore examines the citizenship by investment programmes of 13 countries: Antigua and Barbuda, Austria, Bulgaria, Cambodia, Cyprus, Dominica, Grenada, Jordan, Malta, St Kitts and Nevis, St Lucia, Turkey, and Vanuatu.

Programmes are evaluated against seven pillars which reflect investor priorities. The underlying data comprises all relevant sources, including legislation, government circulars and memorandums, application forms and guidelines, official media and statistics channels, and direct correspondence with governments and their authorised representatives.

Each country is also given a final, overall score, which can be found for ease of reference towards the end of the CBI Index. ●

A TIMELINE OF CITIZENSHIP BY INVESTMENT



FDI for the people

Transparency and accountability of investment funds take centre stage in the 2019 citizenship by investment dialogue.

In the Caribbean, citizenship by investment programmes provide the option to contribute to a government-held fund or to invest in pre-approved real estate. Malta requires applicants to donate to a national fund, invest in bonds or similar instruments, and purchase or rent property. As of May 2019, Cyprus requires two donations and offers three investment options, the most popular being real estate. Under its Development Support Programme, Vanuatu is donation-only, while in Cambodia contributions to the restoration and rebuilding of the nation's economy are encouraged by a lower minimum threshold. Jordan, Turkey, Bulgaria, and Austria do not require donations. The first two incentivise investments in property, while Bulgaria does so in government bonds. Austria affords flexibility for applicants to show 'outstanding economic achievement.'

Irrespective of the specific formula, the guiding principle remains the same: citizens should benefit from programme-generated foreign direct investment. Yet some nations have been more successful than others.

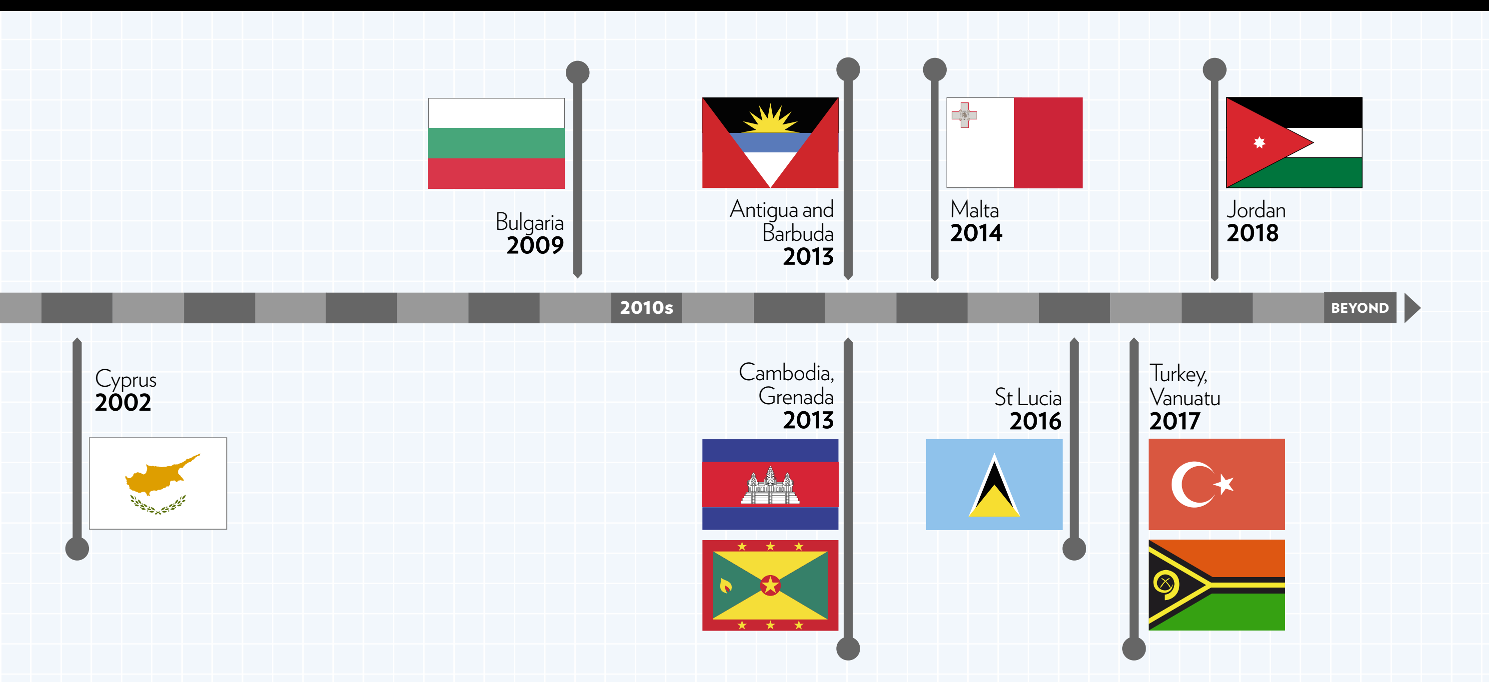
The pre-approved real estate option has had mixed results. St Lucia currently features only one approved development on its official website, has cancelled highly publicised projects, and has been involved in damaging disputes with developers. Grenada, which lists numerous approved projects, closed its Sustainable Aquaculture Project after funds never materialised. In St Kitts and Nevis, certain agents have been accused of abusing the real estate option to obtain greater shares of revenue.

But strides have also been made. In May 2019, Grenadian developers were given the opportunity to advertise a lower application cost if they first contributed an "equity of 20 per cent of the total cost of construction as proposed." In St Kitts and Nevis, agents found guilty of mishandling applications had their licences revoked. And at the opposite end of the spectrum, Dominica's real estate option has flourished, with some four of seven approved eco-conscious hotels and resorts having already opened – or planning to open – for business in 2019.

Dominica is also an industry leader in its transparent and effective use of citizenship by investment donations. In a bid to become "the world's first climate-resilient nation," it has directed funds towards sustainable projects, such as a 7MW geothermal plant capable of covering 90 per cent of the island's energy needs and a 'Housing Revolution' project to provide 5,000 hurricane-resistant homes.

Similar public housing models have been replicated by Malta and Cyprus. This year, Malta announced that €50m would be used to build 550 social housing units, while Cyprus introduced a mandatory €75,000 affordable housing donation to the Cyprus Land Development Corporation.

2019 has shown that a programme's integrity is founded on more than longevity and due diligence. Communication of how funds are used to benefit locals is also key, boosting trust and appeal for investors. ●



Citizenship by investment: past, present, and future

STATE OF THE INDUSTRY

The citizenship by investment industry is one that is constantly in flux and is not to be entered lightly

This year marks the 35th anniversary of citizenship by investment – a concept that was pioneered by the newly-independent St Kitts and Nevis and that became an essential feature of its nation-building process. Indeed, standing apart from all other countries, St Kitts and Nevis adopted a broad view of citizenship, entitling a person to "be registered as a citizen […] if the Cabinet is satisfied that such person has invested substantially in St Christopher and Nevis."

This notion was included, a year later, in Austria's 1985 Nationality Act, and was subsequently incorporated in the legislation of a number of countries, ultimately providing the necessary legal basis for citizenship by investment programmes seeking to improve the socio-economic landscape of the nations that implemented them.

Today, citizenship by investment is top-of-mind with respect to the Caribbean, where Antigua and Barbuda, Dominica, Grenada, St Kitts and Nevis, and St Lucia each boast active programmes with dedicated 'Citizenship by Investment Units' or 'Committees.'

It is here that the greatest strides have been made towards intergovernmental cooperation and data sharing, particularly with respect to assessing applicants and their source of funds.

In Europe, Bulgaria, Cyprus, and Malta have clear citizenship by investment schemes, while Austria offers a more ambiguous economic route to second citizenship. In January 2019, Bulgaria's Ministry of Justice announced the Government's intent to end the nation's programme, noting that only 50 investors had obtained Bulgarian citizenship and that "real foreign investment and economic development ha[d] not been achieved." Nonetheless, to date, the Bulgaria Citizenship by Investment Programme remains accessible to investors.

Cyprus also saw key changes in May 2019, with the introduction of steeper investment requirements and new suitability criteria for applicants. Notably, applicants must now demonstrate they have a valid visa to the Schengen Area and declare any previous failed attempt at obtaining citizenship of an EU member state.

In the Balkans, Montenegro aimed to have a fully functioning programme by October 2018, but instead has yet to process any applications. Moldova was quicker, first announcing its intention to establish a citizenship by investment programme in 2017 and launching it in November 2018. The Moldova Programme, however, was criticised for lack of transparency and improper checks on applicant integrity. In July, with only two applications successfully completed, the Moldovan Parliament

The concept of citizenship by investment was pioneered by the newly-independent St Kitts and Nevis

voted to place a moratorium on receiving further applications in expectation of the Programme's abolition.

The Middle East has also provided a noteworthy platform for the citizenship by investment experiment. Turkey, which first unveiled its Programme in 2017, changed it dramatically in September 2018 by reducing minimum investment requirements by half. The result was more than 200 applications in the following five weeks, and 981 approved citizenships by the end of June 2019.

Uptake of Turkish citizenship was perhaps what prompted Egypt's Parliament, on 7 July 2019, to amend its nationality laws. The amendments entitle applicants to citizenship upon the purchase of public or private property, the creation of an investment project, or the making of a cash deposit. They also envision the establishment of a dedicated 'Unit' and a specific timeframe for the processing of applications.

Island-nation Vanuatu, the only provider of citizenship by investment in Oceania, has been unveiling – and terminating – citizenship programmes for years. Two citizenship programmes now coexist in the nation: the Vanuatu Contribution Programme (VCP) and the Development Support Programme (DSP). Until recently, only the former could grant full citizenship rights to applicants, while the latter was limited to offering honorary citizenship with no voting privileges or the right to take part in local politics.

This changed with the Citizenship (Amendment) Act (No. 34 of 2018), which became effective in January 2019 and established the DSP as a citizenship programme. New regulations dating to April 2019 then harmonised the investment thresholds between the two programmes, making the DSP just as financially attractive as the VCP. The move was welcomed by local agents, who were restricted to marketing the DSP rather than the VCP, whose sole authorised agent is based in Hong Kong.

Montenegro aimed to have a fully functioning programme by October 2018, but has yet to process any applications

The changes of this past year once again underline that the citizenship by investment industry is one that is constantly in flux. Whilst interest from applicants is expected to continue in its upward trend, Montenegro's teething problems, the short-lived Moldovan anomaly, Vanuatu's many citizenship by investment formulas, and variations in investment thresholds, show that this is not an industry to enter lightly. 2019 and 2020 will be a vital time for new entrants to iron out wrinkles and get their programmes off the ground.

At the other end of the scale, the Caribbean will likely maintain its dominance, using its lengthy experience to provide certainty and, where necessary, refine processes.

Changing demand in the Middle East may occur, as Egypt seeks to compete with Turkey and Jordan.

Finally, we will be monitoring Vanuatu, to see whether it can achieve the interest it seeks with its newly-enlivened DSP. ●

Collaboration: present action and future opportunities

COLLABORATION

There is reason to believe that cooperation between nations in the citizenship by investment industry will grow

Over the years, increased collaboration between countries that run citizenship by investment programmes has proven fruitful, bringing positive outcomes for both applicants and the countries themselves.

For example, the CARICOM's Joint Regional Communications Centre (JRCC), established in 2006 by intergovernmental agreement, provides an additional and shared layer of due diligence for all five Caribbean programmes.

This year, collaboration emerged as a priority for the international citizenship by investment community. In May, Cyprus introduced the requirement for all applicants to possess a valid visa to the Schengen Area, of which Cyprus is not part. In so doing, Cyprus incorporated the safety procedures set by the European Union for third-country nationals into its own. Malta too, acknowledges its responsibility to Europe in this way. Indeed, because they are required to visit Malta in person, applicants for Maltese citizenship must obtain a Schengen visa as a matter of course.

Even before 2019, the Caribbean protected international open borders by mandating the rejection of applicants who were denied a visa to any of its visa-free travel destinations, and who had not subsequently obtained a visa from that destination. Malta's regulations are similar, but have additional flexibility that enables it to consider an applicant's special circumstances.

Both Cyprus and Malta effectively say applicants must posses a valid visa to the Schengen Area

In May 2019, Cyprus also tightened its eligibility criteria to exclude applicants who had been rejected for citizenship in any other EU member state, an innovative move among Europe's citizenship by investment nations. Interestingly, the tightening of eligibility in this fashion has a precedent from 2017 in the Caribbean, where Grenada amended Section 8(3) of its Grenada Citizenship by Investment Act to reject applicants who were "denied citizenship by investment in another Caribbean jurisdiction."

In addition to the specific developments to the legal structures around citizenship by investment programmes, there is reason to believe that cooperation between nations in the industry will grow. Attendees of the Caribbean Investment Summit 2019 discussed common regulations and harmonised relations with global intergovernmental organisations. At Malta's second Citizenship by Investment Due Diligence Conference, speakers advocated for industry-wide standards. The 67th meeting of the Organisation of Eastern Caribbean States in June 2019 brought further commitment from the Caribbean, including the introduction of a supervisory board to oversee the programmes, standardised legislation, and consistent application forms.

Whilst collaboration is presently most prominent among nations whose neighbours have also adopted citizenship by investment, as the industry becomes more crowded and searches for ways to establish a strong, international voice, collaboration will likely have a bigger role to play across all continents. ●

Fact from fiction: CBI and tax residence

TAX RESIDENCE

Citizenship and tax residency confer different sets of rights and obligations on individuals

Citizenship by investment and taxation are commonly associated, particularly as there is often an overlap between countries that have adopted citizenship by investment programmes and those that have embraced low-tax regimes. Correlation does not necessarily imply causation, however, and in 2019 the CBI Index was pleased to provide a platform for tax and legal experts to discuss the distinction that exists between citizenship and the duty to pay tax.

The Organisation for Economic Co-operation and Development (OECD) precipitated interest in the topic when, in February 2018, it raised the question of whether investor immigration programmes had the potential to facilitate tax evasion. Specifically, it asked whether an economic citizen or resident could abuse that status to circumvent the Common Reporting Standard (CRS) – a system used by multiple jurisdictions to ensure the correct sharing of tax information.

Co-rapporteurs Jeppe Kofod and Luděk Niedermayer from the Special Committee on Financial Crimes, Tax Evasion, and Tax Avoidance, reiterated the OECD's concern in November 2018 and called on EU member states to phase out investor immigration schemes. Their report was adopted by the European Parliament in March 2019.

That same month, global accountancy and tax firm Ernst & Young (EY) produced a report on the subject, titled *Tax residency: beyond citizenship*. At its core, the report sought to clarify and distinguish between the concepts of citizenship and tax residence, and identified tax residence as the principal factor in determining tax liability.

Ernst & Young produced a report in March 2019 which sought to clarify and distinguish between the concepts of citizenship and tax residency

The status of citizen denotes certain rights and obligations, including the right – but not the obligation – to live and work in one's jurisdiction of citizenship. Tax residency, on the other hand, confers a different set of rights and obligations, chief among which is the duty to pay tax in a jurisdiction. In almost every country in the world, attaining and maintaining the status of tax resident requires a person to be physically present in that country for at least six months each year, have a permanent home there, or make the country the centre of his or her vital interests.

With respect to the CRS's purpose to identify tax liability, EY thus notes that "citizenship should not give rise to tax avoidance and evasion opportunities, as the reporting rules are explicit in not using citizenship as a test."

Smith and Williamson, a British tax advisory firm, wrote a similar report in April which concluded that "Citizenship by Investment does not present a risk to facilitating tax evasion, as citizenship alone is insufficient to secure tax residency of a country."

In May, Queen's Counsel Balraj Bhatia released a formal legal opinion echoing these statements.

Independent insight on the relationship between citizenship by investment and tax is important for all countries operating such programmes, as it improves understanding by individuals, other countries, and international bodies, and ultimately focuses discourse on the win-win outcome that characterises well-run citizenship by investment programmes. ●

Due diligence: the cornerstone of CBI

CASE STUDY

One of the main features of the Caribbean citizenship by investment programmes is thorough due diligence, explains **Kieron Sharp, CEO of FACT Due Diligence**

Thorough due diligence is the cornerstone of the citizenship by investment industry. Countries that offer citizenship by investment have a fundamental interest in ensuring that only quality applicants are accepted, not least because of the reputational and security threat that an unvetted applicant could pose.

This is even more true for countries where citizenship by investment plays a vital role in the economy, as the loss of a programme, or any of the incentives that lead investors to choose said programme, could lead to severe national setbacks.

In the Caribbean, citizenship by investment is a driver of the economy, in some cases providing between 10 and 20 per cent of GDP. Accordingly, the Caribbean countries operate far-reaching, strict, and rigorous due diligence programmes – for which they have since become internationally recognised.

The programmes are not identical but have adopted similar processes, namely, insisting on know-your-client pre-vetting by approved agents, internally checking documents and information, outsourcing enhanced due diligence to professional firms, and collaborating with national, regional, and international bodies.

FACT's role is to ensure that the enhanced due diligence phase is comprehensive, providing a complete and accurate picture of the applicant.

SUITABILITY FOR CITIZENSHIP

Applicants must be deemed suitable for citizenship. This means that they must be of good moral character, have no criminal record or link to criminal activity, pose no security or reputational risk, and have a clear and clean source of funds, including traceable employment and business records. Furthermore, applicants must be honest, meaning that all information provided in their applications must be truthful to the best of their knowledge.

DATA ACQUISITION

To establish applicants' suitability, FACT obtains data on the applicant from a variety of sources, beginning with the applicants themselves.

Applicants must provide: (1) identity documents, for example, passports and visas, birth and marriage certificates, IDs, police certificates, a CV, certified photographs, and medical tests; (2) personal history disclosures, including

Source of funds, as well as employment and business records, are given special attention, and require experience in detecting money laundering, bribery, and fraud

Picture courtesy of St Kitts Tourism Authority

residence, education, and employment histories covering at least the last decade; (3) financial records, including 12 months' bank statements, a bank reference, information on business history, wealth, and assets, and documents proving sources of wealth such as incorporation documents, share certificates, and investment portfolios; and (4) character information, such as personal and professional references. All documents provided by applicants must be originals or certified and legalised copies.

Within FACT, each of these documents is examined and used as a basis to launch investigations to validate the documents and verify the information provided.

VALIDATION AND VERIFICATION

Document validation includes, among other things, contacting the entity responsible for issuing the document to authenticate it and confirm its contents. For example, a certificate of no criminal conviction may be validated by contacting the police office that purportedly issued the document.

Information verification is extensive and involves conducting online investigations (including deep-web searches), researching multi-lingual public records, and checking international criminal, sanctions, wanted, compliance, and political exposure databases. Media profiles are assessed, oftentimes using online sources.

We also carry out site visits, establishing applicants' geolocation and ensuring that, for example, the schools, homes, and businesses listed by applicants exist as described and are in good standing.

Source of funds, as well as employment and business records, are given special attention, and require experience in detecting money laundering, bribery, and fraud. Our enquiries extend to business associates and the opinions issued by competitors, as well as any legal cases (civil or criminal), investigations, or charges against any business entity connected to the applicant.

JUDGING THE PROSPECTS

Appropriate action by a citizenship by investment nation requires full clarity on applicants and their families. FACT therefore collates and evaluates the information, considering relevance, correctness, and completeness, and determining the reliability of each source of information. We then prepare a comprehensive report, applying a threat matrix for each of the following five elements: (1) personal, (2) business, (3) wealth, (4) criminal record, and (5) security concerns. The potential prospects of an application and our overall recommendations are also included.

The Caribbean countries operate far-reaching, strict, and rigorous due diligence programmes – for which they have since become internationally recognised

Due diligence is a crucial step in the citizenship by investment process and one that is essential to countries wishing to protect their programmes from criticism and harm. FACT is proud to partner with the Caribbean, and to be a part of the high due diligence standards the region upholds. ●

Kieron Sharp is the CEO of FACT Due Diligence ('FACT'), having joined following a distinguished career in the police spanning 30 years. Kieron trained at the FBI National Academy and has acted as the Head of the Economic Crime Department at Interpol and as Detective Chief Superintendent in charge of Specialist Crime Operations.

FACT is a leading due diligence firm specialising in crime prevention and detection. It provides a range of specialist intelligence services encompassing financial crime, anti-money laundering, fraud, bribery, regulatory compliance, online investigations, forensics, reputation and crisis management, and data privacy. Headquartered in London, FACT operates globally, and has an international network of partners including business, legal, and government entities and law enforcement agencies. It has almost four decades of experience and the ability to conduct physical, country site visits, online investigations, and deep dive analysis.

Beyond due diligence: the safeguard provisions

BEYOND DUE DILIGENCE

The ability to revoke citizenship is an important tool for both citizenship by investment jurisdictions and successful applicants to their programmes

Due diligence is imperative to the longevity of a citizenship by investment programme: it affects a country's reputation and diplomatic standing, as well as the safety of its citizens.

It is not surprising, therefore, that significant emphasis should be placed on the rigorous vetting of applicants and their source of funds at all stages of the application process. Less commonly discussed but of near-equal importance, however, is the due diligence that is applied *after* the grant of citizenship.

As meticulous as a country's due diligence may be, there are times when even the most sophisticated of radars can fail. For instance, an illicit actor may have a perfectly clean record prior to receiving citizenship, but may subsequently engage in criminal, dishonest, or dishonourable behaviour. Many citizenship by investment jurisdictions address this issue by retaining the right to deprive a person of economic citizenship.

All five Caribbean countries, for example, have provisions in their citizenship legislation to revoke a citizenship obtained by false representation, fraud, or wilful concealment of material facts. Some, including Antigua and Barbuda and St Kitts and Nevis, also allow for deprivation where a citizen is convicted of an act of treason or sedition in their new country of citizenship.

In Dominica, revocation can occur in a number of situations, such as when the citizen is disloyal or disaffected towards Dominica, or when the citizen is sentenced in any country to imprisonment for a term of 12 or more months. In Grenada, revocation is connected to national security.

All five Caribbean countries have provisions in their citizenship legislation to revoke a citizenship obtained by false representation, fraud, or wilful concealment of material facts

In St Lucia, convictions for criminal offences may lead to revocation, as may acts that could potentially bring the nation into disrepute. Indeed, this was cited as the reason behind the issuance of the Citizenship by Investment (Revocation) Order, 2018, with which St Lucia stripped six economic citizens of their citizenship.

Cyprus' and Malta's legislation closely mirrors that of the Caribbean, but these two nations have narrower timeframes in which to act. Cyprus can deprive economic citizens of their citizenship if they are sentenced to a term of imprisonment of at least 12 months

> As meticulous as a country's due diligence may be, there are times when even the most sophisticated of radars can fail

within five years of the citizen being naturalised; Malta, within seven years of the citizen being registered.

In Turkey, citizenship may be 'revoked' when a citizen renders certain services to other states, most notably when these are incompatible with Turkey's interests. Furthermore, citizenship may be 'cancelled' if acquired by "misrepresentation or by hiding essential matters constituting the basis in the acquisition of citizenship" – a decision that would also nullify the citizenship of the economic citizen's spouse and children.

In Jordan, services to other nations, including military or civil service, may lead to loss of nationality. Additionally, a certificate of naturalisation may be cancelled if the citizen commits or attempts to commit any act deemed to endanger Jordan's "peace and security" or if the citizen misrepresents evidence on the strength of which citizenship was granted.

Deprivation of citizenship, of course, is not immediate and should follow due process of law, as exemplified by Antigua and Barbuda. In January 2018, one of the country's economic citizens, Mehul Choksi, became embroiled in fraud investigations in India. This occurred after he had obtained economic citizenship and well after Antigua and Barbuda had received confirmation from Indian authorities that there were neither criminal nor ongoing civil procedures against him.

In July 2019, Vanuatu extradited six Chinese nationals, four of which had received citizenship through its Development Support Programme

Despite pressures from India to extradite Mr Choksi, Antigua and Barbuda upheld its citizen's right to first defend his case in court, in a process that is likely to conclude by the end of 2019 and that may still result in Antigua and Barbuda taking corrective measures with respect to Mr Choksi's economic citizenship.

A more controversial case unfolded in Vanuatu. Here, an economic citizen may be deprived of citizenship within 15 days of that person being sentenced to a term of imprisonment of 10 or more years. Economic citizenship may also be withdrawn where it was obtained by any false representation, fraud, or concealment of a material fact, but the person will only "cease to be a citizen 30 days after such finding."

In July 2019, Vanuatu extradited six Chinese nationals, four of which had received citizenship through its Development Support Programme. Despite the claim that the Ni-Vanuatu citizenship of the extradited individuals had been revoked, allegations were made that the 30-day timeframe had not been respected, and that none of the four citizens were given the opportunity to defend their case in court.

The ability to revoke citizenship is an important tool for both citizenship by investment jurisdictions and successful applicants to their programmes. Countries can use this to protect their citizenry from unlawful or dishonest acts by their economic citizens, to retain positive international recognition, and to maintain the prestige of their citizenship.

In turn, this benefits economic citizens who continue to use their new citizenship in the way it was intended, whether for travel, business, or peace of mind. ●

Overview of the methodology

METHODOLOGY

The CBI Index is built around seven pillars, designed to measure global citizenship programme features and jurisdictional desirability

The CBI Index is a rating system designed to measure the performance and appeal of global citizenship by investment programmes across a diverse range of indicators. Its purpose is to provide a rigorous and systematic mechanism for appraising programmes, to facilitate the decision-making process for individuals considering them, and to bring value to the citizenship by investment industry.

The CBI Index assesses all countries with operational citizenship by investment programmes, which in 2019 include the following 13 nations: Antigua and Barbuda, Austria, Bulgaria, Cambodia, Cyprus, Dominica, Grenada, Jordan, Malta, St Lucia, St Kitts and Nevis, Turkey, and Vanuatu. Despite entering the citizenship by investment arena in 2018, Moldova and Montenegro are not included in the 2019 CBI Index due to a vote to place a moratorium on Moldovan applications and to Montenegro still having to complete processing.

A primary methodological objective was to isolate factors that could satisfactorily measure programme features and jurisdictional desirability. Seven factors, or 'pillars,' were identified for this purpose. The seven pillars that constitute the CBI Index include:

1. Freedom of Movement
2. Standard of Living
3. Minimum Investment Outlay
4. Mandatory Travel or Residence
5. Citizenship Timeline
6. Ease of Processing
7. Due Diligence

Arriving at an appropriate rating for the seven pillars involved a complex combination of benchmarking, statistical analysis, and comparative investigation.

Each of the seven pillars is scored out of a maximum of 10 points, calculated on an averaging basis from the scores of composite indicators and sub-indicators. The maximum attainable score achievable by a programme is 70, with all final scores expressed in terms of a percentage of the total points available. For example, a perfect, 70-point score would be expressed as 100 per cent.

It should be noted that, due to the vast number of statistics, indicators, and sub-indicators available for analysis, no single approach exists for the rating of citizenship by investment programmes. In framing the CBI Index however, reliance was only placed on official sources and publications from institutions of the highest international standing and on the specialised input of industry experts, whose contributions and responses were used to obtain and interpret both qualitative and quantitative data used in the construction of the CBI Index.

It should further be noted that, whenever possible, points were awarded on the basis of evidence from official sources and the letter of the law. Because announcements of changes to citizenship by investment programmes are often made many weeks and months in advance of their actual implementation, the CBI Index limits its evaluations to changes confirmed by governments themselves and associated legal facts.

PILLAR 1: FREEDOM OF MOVEMENT

The Freedom of Movement Pillar measures a passport's relative strength by the number of destinations to which it allows travel without restriction, and by the amount of prime business hubs to which it

> "Freedom of movement within and between countries is of paramount importance to any individual seeking second citizenship

provides access. It is assumed, for the purposes of this pillar, that the passport used for travel is an ordinary passport, and not a diplomatic or service passport.

Freedom of movement within and between countries is of paramount importance to any individual seeking second citizenship. This holds true whether the individual wishes to travel for work purposes, to visit family, or for leisure.

Emphasis was placed on the total number of countries and territories that may be visited without applying for a visa. This included both visa-free and visa-on-arrival destinations, as neither require persons to receive a visa in advance of travel. Government and other official sources, including data from the United Nations World Tourism Organisation (UNWTO), were used to obtain up-to-date information on visa requirements for holders of each of the 13 passports under evaluation.

As business travel is a prime consideration for prospective global citizens, a passport's ability to provide access to the world's leading economic and financial centres was also evaluated. The World Bank's Ease of Doing Business Index, Forbes' Best Countries for Business,

the World Economic Forum's Global Competitiveness Report, and other authoritative sources were used to arrive at a list of the top centres for international business.

For both indicators, points were awarded on a descending scale, with the highest score received by the passport with visa-free or visa-upon-arrival entry to the highest number of foreign countries or territories.

PILLAR 2: STANDARD OF LIVING

The Standard of Living Pillar is a measure of the quality of life offered by the 13 citizenship by investment jurisdictions under assessment. This pillar is vital to those who yearn to relocate and to secure a prosperous and fulfilling lifestyle. Similarly, it is key to those wanting to take advantage of local business opportunities, or needing to transfer and safeguard their assets.

For this pillar, a wide range of official indicators were considered to allow for an accurate assessment. Consequently, establishing an appropriate benchmark was important, as a country's score must be viewed both as an absolute value and within the context of the other citizenship by investment countries – that is to say, as a relative value.

Reliance was placed on the United Nations Human Development Index (HDI) for factors such as life expectancy, education, security, and income.

Because past performance is not always a guarantee of future results in the field of economic growth in a rapidly developing world, a country's latest annual GDP growth statistics were used to indicate present-day economic circumstances as well as growth potential – a particularly important indicator for investors. Data was sourced from the World Bank's Open Data Catalogue to ensure accuracy and consistency.

The Standard of Living Pillar also examines a country's ability to promote freedom, and to protect the rights of individuals to act and to express themselves without undue constraints. Civil liberties and political rights within a jurisdiction were rated as part of this exercise, using sources such as Freedom House's Freedom in the World Index.

Where a citizenship by investment programme offers multiple investment options, the most affordable option was selected for evaluation

PILLAR 3: MINIMUM INVESTMENT OUTLAY

The Minimum Investment Outlay Pillar measures one of the most practical and foremost considerations of citizenship by investment: how much capital is required for the investor to become an eligible applicant for the programme of his or her choosing.

The cost of applying for citizenship by investment increases with the number of dependants – or qualifying family members – included in an application. In some jurisdictions this increase is proportional, while in others the cost only increases following the inclusion of multiple dependants. To remain consistent across all jurisdictions, it was assumed that one applicant was applying for citizenship alone. That is to say, that the application consisted of a 'single applicant.'

Where a citizenship by investment programme offers multiple investment options, the most affordable option was selected for evaluation. For example, Dominica offers a single applicant the choice between a contribution to the Economic Diversification Fund (EDF) and an investment in pre-approved real estate, with the latter being the more expensive alternative. The EDF option was therefore used to determine the minimum investment outlay for the Dominica Citizenship by Investment Programme.

This pillar considers pure investment requirements, exclusive of minor fees that may also apply. These may include application, processing, or due diligence fees that do not significantly alter the cost of a citizenship application.

The highest number of points was awarded to the country requiring the lowest minimum investment.

PILLAR 4: MANDATORY TRAVEL OR RESIDENCE

The Mandatory Travel or Residence Pillar examines the travel or residence conditions imposed on applicants both before and after the granting of full citizenship. Often busy with running a business or with international travel of their own, citizens of the world have little time on their hands to fulfil minimum stay requirements.

A careful examination of the laws, regulations, and policies pertaining to each citizenship by investment programme was undertaken. First, it was determined whether any travel or residence prerequisites applied. Second, post-citizenship requirements were examined, as well as the consequences of failing to fulfil those requirements. Third, the extent of the travel or residence requirements were analysed, with physical visits for the purposes of attending an interview, swearing an oath of allegiance, or giving biometric information all taken into account. Additionally, mandatory travel that could only be waived or eased following the payment of a costly fee was also given consideration.

In line with previous pillars, scrutiny focused on the main applicant rather than any dependants that may be included in the citizenship application.

As having year-round freedom to travel is a highly-valued liberty, programmes that waived residence and travel requirements achieved the best score, followed by those with minimal requirements. The lowest scores were attained by programmes with extensive requirements.

PILLAR 5: CITIZENSHIP TIMELINE

The Citizenship Timeline Pillar looks at the average time it takes for citizenship to be secured by the applicant.

The speed at which application forms and supporting documentation are processed, and the steps involved in approving an application, vary from programme to programme. Therefore, a thorough inspection of applicable laws, regulations, and policies was made to determine the official processing times mandated by each jurisdiction.

Extensive reliance was also placed on first-hand experience from applicants, agents, and other stakeholders, whose contributions proved to be an invaluable tool in ascertaining citizenship timelines.

As one of the key merits of citizenship by investment programmes is their ability to provide a rapid route to second citizenship, the highest number of points was awarded to the programmes with the shortest turnaround times.

Additional merit was given to programmes offering fast-track processing options at an additional fee, as these provide an extra layer of certainty for the applicant who is urgently in need of his or her second citizenship.

PILLAR 6: EASE OF PROCESSING

The Ease of Processing Pillar measures the end-to-end complexity of the citizenship by investment application process. In some jurisdictions, the application process can be a labour-intensive and painstaking task that is time-consuming for the applicant; in others, it is streamlined and the applicant receives clear directives on how to proceed. For the ever-busy, internationally-minded individual, the overall effortlessness of the application process is a particularly critical component and a smoother, hassle-free process can generate readiness to engage with a programme.

> In some jurisdictions, the application process can be a labour-intensive and painstaking task that is time-consuming for the applicant; in others, it is streamlined and the applicant receives clear directives on how to proceed

Multiple indicators were considered, commencing with entry qualifications such as previous business experience or fluency in a language. Knowledge of local history or culture assessments and interview requirements were also weighed.

By its very nature as a naturalisation process, citizenship by investment involves a significant amount of paperwork, including both forms and supporting documents. Having the support of an official government website and of a dedicated citizenship by investment body to seek and obtain clarification was thus an influential factor in awarding points to a programme.

Extensive communication with advisors and legal experts is required where a jurisdiction mandates the purchase of real estate or other assets,

and hefty paperwork must also be submitted as evidence of that purchase. Therefore, countries with compulsory purchasing requisites were deemed to burden the application process.

The stability of each programme was also assessed, as applicants and service providers prize continuity throughout the application process.

Programmes with fewer demands placed on the applicant and with relatively straightforward procedures achieved higher scores for this pillar.

PILLAR 7: DUE DILIGENCE

The Due Diligence Pillar focuses on each nation's commitment to ensuring that their programme remains transparent and effective at evaluating potential candidates for citizenship. It is hence a measure of each programme's integrity.

The CBI Index focuses on the ability of governments to obtain information on and from applicants, such as by the performance of internal and external due diligence checks. Further indicators included police certificate requirements – including the number of nations from which a certificate must be provided – as well as requests for fingerprints or biometric data.

Emphasis was placed on a country's ability to gather evidence on the applicant's source of funds, as this is a core step in preventing those profiting from, or involved in the financing of, illicit activity from obtaining citizenship.

Increasingly, strict anti-terrorism and anti-money laundering legislation has prompted some governments to exclude persons of certain nationalities from their programmes, or to restrict funds transferred from certain jurisdictions in order to ensure compliance with international sanctions. These trends are included among this pillar's indicators.

The greater a country's ability to perform background checks on applicants, the higher the score received. ●

> The speed at which application forms and supporting documentation are processed, and the steps involved in approving an application, vary from programme to programme

THE RESEARCHER

The CBI Index was created by James McKay, a research consultant with over 12-years' experience in the design and execution of complex research and data analysis projects.

Having read psychology and statistics at University College London, the founder of McKay Research provides strategic market intelligence and consulting solutions across a wide range of sectors, and actively works with some of the world's biggest independent providers of market research across several industries including investment, technology, and consumer goods.

James, who used guidance from the OECD's Handbook on Constructing Composite Indicators, employed a three-stage process to produce the 2019 version of the CBI Index.

The first phase involved comprehensive primary and secondary research to chart all major developments in the world of economic citizenship over the past 12 months.

The second phase comprised a detailed exploration of official macroeconomic and programme statistics used in evaluating CBI Index country performance.

The third and final stage involved critically analysing and inputting all data collected throughout the research process, paying careful attention to maintaining the statistical continuity and integrity of the index architecture as it was first devised in 2017.

Now celebrating its third anniversary, the CBI Index has established itself as the leading tool for investors to accurately measure the performance and appeal of global citizenship by investment programmes.

Key findings: Caribbean remains on top

KEY FINDINGS

The CBI Index's key findings present an evaluation of each country both overall and within the parameters of the seven pillars

The CBI Index is intended as a practical tool both for those who wish to compare citizenship by investment programmes as a whole and for those who, instead, value certain aspects of a programme more than others. These elements are reflected by the seven pillars of the CBI Index: freedom of movement, standard of living, minimum investment outlay, mandatory travel or residence, citizenship timeline, ease of processing, and due diligence.

PILLAR 1: FREEDOM OF MOVEMENT

European nations continue to offer the highest number of countries and territories to which citizens can travel visa-free or with a visa-on-arrival, as well as free travel to the highest number of business centres. Austria and Malta scored 10 each, with Bulgaria and Cyprus just behind at nine. This distinction is primarily due to Austria and Malta being part of the Schengen Area, and thereby benefitting from a comprehensive common visa policy and a reciprocity mechanism for countries with visa exemptions. Neither Bulgaria nor Cyprus, for example, can offer visa-free travel to the United States, a primary business hub.

The next highest-scoring group is formed by the Caribbean states, with Antigua and Barbuda, Grenada, St Kitts and Nevis, and St Lucia each awarded eight points. This follows a significant push on the part of their Foreign Ministries, and in particular that of St Kitts and Nevis, to expand simplified travel offerings for citizens.

Citizens of St Kitts and Nevis and St Lucia have access to 15 out of 20 business hubs selected for the 2019 CBI Index, while citizens of Antigua and Barbuda, Dominica, and Grenada can access 14. In total, Dominica has slightly fewer destinations in its list than its Caribbean counterparts, bringing its score to seven – the same score achieved by Vanuatu. For both these countries however, the trend seems to be one of increasing visa-free and visa-on-arrival destinations.

There was no significant shift in the scores received by Turkey, four, or Cambodia and Jordan, both of which received minimum scores. Jordanians can only access one CBI Index business centre, while Turkish citizens can travel freely to five.

PILLAR 2: STANDARD OF LIVING

As in 2018, Austria and Malta both received top scores in this pillar. Their high life expectancy, safety levels, and ability to uphold basic freedoms propelled them to first place, as did their scores in expected years of schooling and economic stability. Austria performed better with respect to gross national income per capita, but Malta fared better with respect to GDP growth.

Cambodia was the only country to get the top score for its rate of GDP growth, as its economy continues to grow at above seven per cent per annum. Overall however, Cambodia failed to achieve high scores with respect to national distribution of wealth, citizens' liberties, and educational prospects.

First place in expected years of schooling is occupied by Grenada, where the average man or woman is educated for 16.9 years. The high standard of primary and secondary education in the country is achieving greater recognition from the international community, as is Grenada's medical and veterinary school: St George's University. With a robust history of education and a multitude of schooling centres, Austria, Bulgaria, and Malta followed closely.

The effects of Hurricane Maria, which at the time caused losses of 226 per cent of the country's GDP, still impact Dominica's economy today, something that is reflected by a subdued gross national income. However, its lush vegetation and investment in clean energy positions it as the best Caribbean nation for life expectancy, coming in behind Austria and Europe's Mediterranean nations, and scoring the same as Turkey.

Overall, Antigua and Barbuda joined Grenada to rank top of the Caribbean nations, rising due to its increasingly developed business infrastructure and growing property market. Turkey's score fell by one, largely down to low economic growth and citizens' freedom. Bulgaria too experienced a slight worsening, dropping from eight points to seven primarily because of faltering GDP growth. The lowest scores went to Cambodia and Jordan, despite these countries scoring highly for safety.

PILLAR 3: MINIMUM INVESTMENT OUTLAY

In offering citizenship to successful applicants in exchange for a $100,000 contribution, both Dominica and St Lucia attained a perfect score. Antigua and Barbuda also proffers an investment option of $100,000, but continues to apply a significant government fee of $25,000, meaning that, in reality, Dominica and St Lucia provide the most affordable citizenship options.

Having first sought to follow the pattern set by the more expensive European programmes, Turkey has now cut its minimum investment threshold by 75 per cent to $250,000. This significant volte-face, and the many applications that were recorded by the Turkish Government in its aftermath, may be an indication of what minimum investment outlay – i.e. one in the low hundreds of thousands of dollars rather than the millions – is more likely to balance a nation's investment needs with the spending capability of prospective applicants.

For the 2019 edition, the CBI Index assessed the Vanuatu Development Support Programme (DSP) rather than the

THE CBI INDEX

Country	Freedom of Movement	Standard of Living	Min Inv Outlay	Mandatory Trv/Res	Citizenship Timeline	Ease of Processing	Due Diligence	Total Points (70)*	%
	SEVEN PILLARS							**FINAL RESULTS**	
Antigua and Barbuda	8	7	9	7	6	9	9	55	79
Austria	10	9	1	8	2	4	4	38	54
Bulgaria	9	7	5	7	1	4	7	40	57
Cambodia	1	5	8	8	8	4	4	38	54
Cyprus	9	8	2	7	6	7	7	46	66
Dominica	7	6	10	10	10	10	10	63	91
Grenada	8	7	9	10	8	9	10	61	87
Jordan	1	5	3	10	9	5	2	36	51
Malta	10	9	4	2	3	8	10	46	65
St Kitts and Nevis	8	6	9	10	10	9	10	62	89
St Lucia	8	6	10	10	9	9	7	59	84
Turkey	4	6	8	8	6	6	4	43	61
Vanuatu	7	6	9	8	10	9	6	54	78

Vanuatu Contribution Programme (VCP). This is because the DSP was converted into a full citizenship programme (rather than an honorary citizenship programme) in order to attract investment from a broader market. At $130,000, the DSP is slightly less expensive than the Grenada and St Kitts and Nevis programmes, which offer citizenship to single applicants donating $150,000.

At the same time, Cyprus bucked this trend and increased its investment requirements in May 2019 by introducing two additional €75,000 donations either in socioeconomic initiatives supporting the building of affordable homes, or to the Research and Innovation Foundation.

Although Malta's nominal minimum investment amount did not change from 2018 to 2019, the present strength of the US dollar against the euro meant it scored higher this year than it did in the 2018 CBI Index. Austria, Bulgaria, and Cambodia did not vary their investment requirements and were accorded the same scores as in 2018 – currency exchange rates having had little impact. Jordan also maintained its $1m minimum investment outlay.

PILLAR 4: MANDATORY TRAVEL OR RESIDENCE

Five countries dominate this pillar: Dominica, Grenada, Jordan, St Kitts and Nevis, and St Lucia. Applicants to these programmes do not need to travel to or reside in the country before, after, or during the citizenship process. In the Caribbean, this is justified by the use of enhanced due diligence procedures, which include in-situ travelling by third party firms to the applicant's country of residence or birth. This does not imply, however, that jurisdictions discourage their economic citizens from visiting for pleasure or to connect with their new home.

Austria, Cambodia, Turkey, and Vanuatu each received a score of eight due to their one-time travel requirements. Turkey requires applicants to visit the nation to provide biometrics to obtain a residence card. Vanuatu mandates a one-visit trip to attend an oath signing ceremony. Currently, applicants have some flexibility over where they can travel to, as the ceremony can be held in Dubai, Hong Kong, or Singapore. Vanuatu is also currently considering London as an additional oath-signing destination – something prospective applicants will be monitoring over the coming year.

Antigua and Barbuda and Bulgaria were awarded commendable scores, with Antigua and Barbuda losing some points for its five-day residence requirement but not for its oath of allegiance travel requirement, as, in practice, applicants complete the oath at the same time as they fulfil the residence requirement.

Malta, however, lagged with this pillar's lowest score due to its significant residence and travel requirements. Two separate trips must be made to the country (to provide biometrics and take the oath of allegiance), and applicants must spend a minimum of 12 months on the island before they can receive citizenship.

Although Cyprus may seem to present a heavy residence burden by requiring applicants to hold a resident permit for at least six months, there is no physical presence requirement attached to the permit. Applicants must, however, visit the nation twice, once to provide biometrics and once to take the oath of faith.

* Each country's final score as displayed in the above table is not an aggregation of rounded-up sub-pillars but an overall performance score

PILLAR 5: CITIZENSHIP TIMELINE

Jumping significantly from its 2018 score, St Kitts and Nevis joined Dominica and Vanuatu as one of the fastest citizenship by investment programmes in the world, scoring full marks and leaving behind the delays caused by the sudden influx of applicants to its Hurricane Relief Fund.

Processing times in Dominica and Vanuatu are typically under two months; St Kitts and Nevis, whilst periodically reaching three months, offers an accelerated route for applicants who pay a premium. St Kitts and Nevis remains the only citizenship by investment nation to provide such an option to its applicants. In Dominica and St Kitts and Nevis, faster processing times reflect both decades-long experience in the industry and the multitude of mandated due diligence firms that provide additional processing resources. Vanuatu's speed should be monitored in the coming year as the DSP is expected to attract more applicants, likely resulting in slower processing if current quality controls are to remain at the same level.

Jordan and St Lucia placed second with nine points. With its relatively new programme, Jordan may experience longer processing times going forward if demand from investors increases.

Grenada climbed by two points to eight – the result of increased focus on processing following significant waiting times last year. Cambodia also increased its score from

seven to eight, while Antigua and Barbuda and Cyprus each scored six.

Since the 2018 CBI Index, Turkey's ranking has slipped due to mounting applications numbers and, consequently, speed being far less of a guarantee. Despite this, it is considerably faster than Malta (which takes around 13 months), Austria (two years), and Bulgaria (three to five years, depending on the investment option chosen by the investor). These three countries are the slowest citizenship by investment programmes.

PILLAR 6: EASE OF PROCESSING

As has been the case since the launch of the CBI Index in 2017, the Caribbean programmes achieve high scores across the board under this pillar, reflecting their straightforward and highly streamlined processing systems. The region has long led the way in collaboration and information-sharing, which has enabled the programmes to apply similar processing models and offer greater transparency.

This is generally due to longevity and countries' willingness to refine their programmes. However, not all programmes offer the same stability to applicants. In St Lucia, for example, it is unclear which – and when – real estate options will be made available for investment.

Vanuatu also ranked highly, having no interview, business experience, language, or culture and history requirements. The improvements to the DSP and the guarantee of full citizenship are positive steps towards improving processing and certainty, yet, in June 2019, four economic citizens had their citizenship revoked. The precise reasons behind the revocation, and the due process procedures that were applied, are still unclear.

Europe's programmes attained a range of scores. Each of them, except for Austria, requires applicants to invest in tangible assets, such as real estate, or intangible assets, such as government bonds. These investments demand time and extensive documentation. Jordan and Turkey also require proof of complex investments. For example, in Jordan, an applicant can choose between investing in small and medium-sized enterprises, treasury bonds, securities in an active investment portfolio, or a project creating at least 20 jobs, or depositing funds in a non-interest-bearing account at the Central Bank of Jordan.

In the past year, Bulgaria, Cyprus, and Malta all received criticism from intergovernmental European bodies, which cast some doubt on the continuance of their programmes. Indeed, Bulgaria announced it would end its Immigrant Investor Programme, although this was not followed in practice. It also suffered from allegations of wrongdoing by government employees and the potential withdrawal of passports from economic citizens.

Turkey rose by one place to a respectable six points as it improved engagement with applicants, a development reflected in the approximately fivefold increase of firms marketing the country's programme. Cambodia and Austria are last due to the lack of readily available information on their programmes, as well as more exacting requirements, such as a language test and history and culture test in Cambodia, and an interview in Austria.

St Lucia moved up to fourth place overall, surpassing Antigua and Barbuda, by improving its scores for freedom of movement, citizenship timeline, and due diligence

PILLAR 7: DUE DILIGENCE

Dominica, Grenada, Malta, and St Kitts and Nevis all attained full marks. For Dominica, Malta, and St Kitts and Nevis, this has been a consistent result since the inception of the CBI Index in 2017. Greater diligence in authenticating source of funds ensured that Grenada also joined the top rank this year, rising from a score of eight in 2018. Despite a small drop from last year, Antigua and Barbuda also scored highly by virtue of its strict requirements for documentary evidence and employment of independent due diligence providers.

Next closest were Bulgaria, Cyprus, and St Lucia. St Lucia gained two extra points chiefly as a result of new measures to exclude applications from certain jurisdictions which could not be adequately vetted and posed a risk to national security. Bulgaria tightened its requirements for criminal records, now demanding them from an applicant's country of origin and of permanent residence. However, it also eliminated its list of restricted nationalities.

Turkey decreased in ranking due to it not implementing due diligence restrictions on certain nationalities. It came joint fifth with Austria and Cambodia, whose scores remained unchanged. Despite both Austria and Cambodia requiring biometrics – a standard feature of their passports – they each lose points due to their requirements for evidence of source of funds and police records. Cambodia, for example, asks for a letter certifying that the applicant has a clear criminal history, but does not request original police certificates from specific jurisdictions. Neither Austria nor Cambodia employ independent due diligence firms to perform checks on applicants.

Last is Jordan, which, albeit having rejected a significant percentage of applications, applies a due diligence model with fewer safeguards than those of Caribbean and European jurisdictions. If Jordan were to invest in more stringent screening of applicants and their financial sources, this could be a key step in strengthening its programme's reputation and raising its ranking in the CBI Index.

FINAL SCORES: THE HIGHEST RANKING PROGRAMMES

Overall, the central industry trends of transparency, experience, and enhanced security saw the Caribbean nations carry their success from past years into 2019, outperforming their peers in five out of seven pillars.

Dominica emerged once more as the country with the world's best citizenship by investment programme, combining extensive due diligence with efficiency, speed, affordability, and reliability. Dominica also set the record for the highest percentage score ever achieved on the CBI Index: 91 per cent.

St Kitts and Nevis maintained its upward trajectory regarding visa-free and visa-on arrival offerings and continued to demonstrate its commitment to enhanced due diligence. It also improved its citizenship timeline following clearance of the applications submitted during the temporary Hurricane Relief Fund option. Despite major improvements, the country could benefit from providing applicants with greater certainty as to investments of choice.

Grenada also increased emphasis on programme due diligence, but benefited most from its improved citizenship timeline after the significant slowdown noted in 2018. St Lucia surpassed Antigua and Barbuda for the first time, the southern island improving its scores under freedom of movement, citizenship timeline, and due diligence.

The best performing programme outside of the Caribbean was Vanuatu's DSP, allowing the country to remain in sixth place. The DSP, analysed by the CBI Index for the first time in lieu of the VCP, brought greater clarity and certainty to investors, yet there remain issues with the nation's due diligence processes and with the certainty provided to successful applicants, particularly after certain notable incidents of deportation. As Vanuatu focuses on making the oath process easier for applicants, it will be interesting to observe how this affects investor interest over the coming year.

THE FINAL SCORES

COUNTRY RANK		TOTAL POINTS	PERCENTAGE
1	Dominica	63	91
2	St Kitts and Nevis	62	89
3	Grenada	61	87
4	St Lucia	59	84
5	Antigua and Barbuda	55	79
6	Vanuatu	54	78
7	Cyprus	46	66
8	Malta	46	65
9	Turkey	43	61
10	Bulgaria	40	57
11	Austria	38	54
11	Cambodia	38	54
13	Jordan	36	51

For investors looking towards Europe, Malta is now joint first choice with Cyprus in terms of overall scores when these are rounded to the nearest integer, but comes just below with respect to their percentage scores. Cyprus performed well in the majority of pillars, and remains the fastest economic citizenship option in the region with one of the simplest residency and travel requirements. Malta's extensive travel offerings, high standard of living, well-established processes, and robust due diligence, meant it scored more highly on these pillars than any other European programme with the exception of Austria, which also stood out for freedom of movement and standard of living. As compared to other countries, however, Malta remains the jurisdiction with the most taxing residency and travel obligations, and has one of the longest timeframes in which to obtain citizenship.

The better scorer of the two Middle Eastern players in the CBI Index, Turkey overtook Bulgaria to place ninth, owing to its faster, more economic, and more straightforward programme. A key area of improvement was minimum investment outlay, as the nation dropped its minimum investment to $250,000. To further improve its score, Turkey would do well to invest in greater due diligence and developing visa-free and visa-on-arrival agreements with international partners, as well as raise the standard of living of its citizens. Bulgarian economic citizens, on the other hand, can enjoy a good quality of life and widespread visa-free access, but should expect to wait at least three years and fulfil burdensome requirements.

Joint 11th worldwide with Cambodia, Austria offers a high standard of living and global mobility, but presents a lengthy timeline and low due diligence. In contrast to its European neighbours, Austria's residency and travel requirements are more attractive, yet applicants continue to encounter a considerable lack of clarity and reliability around processing. Equally, Cambodia must do more to improve its processes and due diligence, yet it also faces broader challenges: average quality of life is low and its citizens are limited in their ability to travel. Both these issues are shared with Jordan.

This left last place to Jordan, whose scores for due diligence and living conditions fell. Whilst Jordan has established one of the CBI Index's faster programmes and has no mandatory travel or residence requirements, investment outlays are high and there is a paucity of publicly available information concerning its systems. Providing more reliable information to help inform investors could considerably raise its profile. Given that Jordan, like Turkey, is still in the early stages of developing and refining its offering, amendments are likely to materialise in the future. ●

The seven pillars of

OVERALL RESULTS OF THE 2019 CBI INDEX

1. Dominica	91%
2. St Kitts and Nevis	89%
3. Grenada	87%
4. St Lucia	84%
5. Antigua and Barbuda	79%
6. Vanuatu	78%
7. Cyprus	66%
8. Malta	65%
9. Turkey	61%
10. Bulgaria	57%
11. Austria	54%
11. Cambodia	54%
13. Jordan	51%

1 FREEDOM OF MOVEMENT

TOP COUNTRIES

1 Austria, Malta

Both countries offer citizens visa-free travel or a visa-on-arrival to 180+ destinations. These include 19 of the CBI Index's top global business hubs

2 Bulgaria, Cyprus

Citizens of Bulgaria and Cyprus can access with ease 18 of the CBI Index's global business hubs and around 170 overall destinations

2 STANDARD OF LIVING

TOP COUNTRIES

1 Austria, Malta

EDUCATION

Grenadian citizens can expect on average 16.9 years of education – the highest in the CBI Index. Austria is not far behind with 16.1 years

7.5% GROWTH

Cambodia has the highest real GDP growth rate of 7.5 per cent, higher than many Western countries

3 MINIMUN INVESTMENT OUTLAY

TOP COUNTRIES

1 Dominica, St Lucia

$100,000 FOR SINGLE APPLICANTS

Dominica and St Lucia continue to provide the most affordable investment options

BIGGEST MOVER

Turkey jumped five places by reducing its minimum outlay to $250,000

MOST EXPENSIVE

Austria, followed by Cyprus

the 2019 CBI Index

4 MANDATORY TRAVEL OR RESIDENCE

TOP COUNTRIES

1. Dominica, Grenada, Jordan, St Kitts and Nevis, St Lucia

12 MONTHS
Citizenship hopefuls of Malta must first reside for 12 months on the island, as well as visit Malta to provide biometrics and take an oath

5 DAYS
Antigua and Barbuda requires applicants to spend 5 days over a 5-year period in the country. Children can wait until they are 18 to do this

5 CITIZENSHIP TIMELINE

TOP COUNTRIES

1. Dominica, St Kitts and Nevis, Vanuatu

St Kitts and Nevis joined the top rank this year due to reduced delays, coupled with its Accelerated Application Process (AAP), which offers a fixed processing time of 60 days

2. Jordan, St Lucia

SLOWEST
At 36 months minimum, Bulgaria takes the longest

6 EASE OF PROCESSING

TOP COUNTRY

1. Dominica

2. Antigua and Barbuda, Grenada, St Kitts and Nevis, St Lucia, Vanuatu

TEST
Cambodia provides the only programme where applicants must display a certain level of language proficiency and pass a history or culture exam

INTERVIEW
Austrian and Bulgarian citizens-to-be must attend an interview

7 DUE DILIGENCE

TOP COUNTRIES

1. Dominica, Grenada, Malta, St Kitts and Nevis

With some jurisdictions now posing a greater risk to national security, the exclusion of applications from certain countries was an important factor

The best programmes thoroughly investigate the applicants' sources of funds

Programme profiles

PROGRAMMES

A closer look at the 13 citizenship by investment programmes which make up the 2019 CBI Index

THE ANTIGUA AND BARBUDA CITIZENSHIP BY INVESTMENT PROGRAMME

The Antigua and Barbuda Citizenship by Investment Programme was established by the Antigua and Barbuda Citizenship by Investment Act, 2013. Antigua and Barbuda offers four investment alternatives for successful applicants.

The first alternative allows single applicants, as well as a family of up to four persons, to make a minimum contribution of $100,000 to the National Development Fund (NDF), a not-for-profit organisation created to run both public and private projects as well as charitable initiatives such as improving access to healthcare and education. This contribution threshold was proposed under a limited time offer scheduled to end on 31 October 2019.

The second alternative requires the applicant to make an investment of $400,000 or more into one of the Government's approved real estate projects for a period of five years. From 1 May 2018 to until 31 October 2019, under a separate limited time offer, an applicant with no more than three additional family members may make a joint investment with a 'related party,' with both the applicant and the 'related party' making a minimum investment of $200,000. A 'related party' is one with the same Licenced Agent as the applicant.

The third alternative entails an investment of $1.5m into an eligible, Government-approved, business project. Applicants can apply as joint investors so long as each applicant makes a $400,000 minimum investment into a project worth at least $5m.

The final alternative, introduced in October 2018, applies to families of at least four persons who invest $150,000 into the University of the West Indies Fund. In addition to receiving citizenship, one member of the family will also be entitled to a one year, tuition-only scholarship.

Government and Due Diligence Fees apply for all alternatives to citizenship, with the former starting at $25,000 for any application of up to four persons applying under the NDF or the University of the West Indies Fund. Government Fees increase with the number of persons included in an application, and start at twice as high for applications under the real estate and business options. In all cases, ten per cent of the Government Fees are due upon submission of the application and are deemed non-refundable.

There continue to be delays in application processing by the Citizenship by Investment Unit, the Government body responsible for reviewing all applications under the Programme. Due diligence procedures are strict, with a May 2019 passport recall being ascribed to ensuring that all economic citizens hold e-passports. A number of nationalities are excluded outright from the application process.

Although there is no mandated interview or knowledge-based test, Antigua and Barbuda requires applicants to travel to the nation, or to an embassy or consulate, to sign an oath of allegiance. Furthermore, once awarded, citizenship is conditional on the applicant spending five days on Antiguan or Barbadian soil within five years of obtaining citizenship. This requirement is waived for children until after they reach the age of majority at 18.

In June 2017, Antigua and Barbuda lost visa-free access to Canada, one of its most significant selling points. Recently, however, additions have been made to the list of countries and territories to which citizens of Antigua and Barbuda may travel, such as the Republic of Kosovo and Russia. Antigua and Barbuda accepts dual nationality.

CITIZENSHIP BY INVESTMENT IN AUSTRIA

The particulars of Austria's citizenship by investment procedures are not clearly codified in the laws of the nation. Rather, the scheme draws broad legitimacy from Article 10, Paragraph 6 of the 1985 Nationality Act, which gives leave to the Federal Government to grant citizenship where a person displays actual or expected outstanding achievements. The Federal Government may, by an order, lay down specific stipulations regarding the grant of nationality under Article 10, Paragraph 6. Its failure to fully do so has made the Austrian scheme one of the least transparent processes in the economic citizenship arena.

The outstanding achievement underlined in Austria's laws can be economic and can cover those whose investments in Austria are sufficient to trigger the provision.

Exclusive and limited to those who can guarantee a positive attitude towards Austria, and who do not pose a danger to law and order, public safety, or other public interests, the scheme has operated intermittently, and only rarely are aspiring applicants successful. The scheme is also mindful of Austria's – and the applicant's – associations with other states, barring persons whose relations with foreign states would be detrimental to Austria, or who, upon becoming Austrian nationals, would damage the country's international relations. A person is also barred given the existence of certain criminal convictions, immigration orders, and affiliations with extremism.

The two-year process involves filing the application in person (unless the applicant is incompetent to act) and significant communication with various Government representatives. Article 10(a)(2) exempts prospective economic citizens from having to demonstrate sufficient knowledge of the German language and basic knowledge of Austria's history and democratic system. An applicant who lives outside of Austria must however travel to the relevant Austrian diplomatic or consular authority to give the oath of allegiance (with some exceptions for those who cannot reasonably be expected to appear to deliver the oath).

Although Austria generally disallows dual nationality, Article 10, Paragraph 6 applicants are permitted to retain their original citizenship, bringing the scheme in line with those of other jurisdictions offering economic citizenship. Benefits of Austrian citizenship include the right to live and work in any country in the European Economic Area (EEA) and Switzerland, as well as facilitated travel to the United States and Canada.

THE BULGARIAN IMMIGRANT INVESTOR PROGRAMME

The Bulgarian Immigrant Investor Programme (BGIIP) was created in 2009, and finds its legal basis in Article 25(1) of the Foreigners in the Republic of Bulgaria Act and Article 14(a) of the Citizenship Act. Designed as a quick route to citizenship via a period of nominal permanent residence in Bulgaria, the BGIIP does not require the investor to physically spend time in Bulgaria while waiting for citizenship to be issued. This feature makes the BGIIP one of a handful of European citizenship programmes where prior physical residence in the nation is not compulsory.

There are two investment options under the BGIIP, the first leading to citizenship in five years, the latter doing so in three. Under the first option, the applicant must make a BGN1m guaranteed investment in government bonds, whilst under the second option the applicant must make a BGN2m investment in government bonds or in a Bulgarian company. As of 2019, it is not possible for applicants to combine government bonds and company investments – they must choose between one type of investment or the other. Under both the BGN1m and the BGN2m routes, the investment must be retained

for a period of five years, after which time it is returned to the investor without any interest that may have accrued.

Applications under the BGIIP are first submitted to a local Bulgarian consulate, which redirects them to the Ministry of Foreign Affairs and issues a first-stage visa for the applicant to enter Bulgaria and file for permanent residence. Thereafter, processing is conducted by the Ministry of Foreign Affairs. These entities do not test applicants on their knowledge of Bulgarian or of local culture. Beginning in 2019, applicants are requested to sit an interview when they submit their application.

The BGIIP is only available to non-EU nationals, who must make two formal trips to Bulgaria; once to file for permanent residence, and once to register permanent residence and receive the relevant identity documents. Permanent residence may be expected within six to nine months of submission, while citizenship rests on the option selected by the applicant.

In response to concern regarding due diligence, starting from 2019 Bulgaria demands criminal records both from an applicant's home country and country of permanent residence. Further concerns led to an announcement that Bulgaria would end its BGIIP, but the announcement has yet to bring material changes to Bulgaria's citizenship offering.

The benefits of Bulgarian citizenship include free movement rights throughout all the member states of the European Union. Starting 1 December 2017, citizens of Bulgaria were granted the right to travel visa-free to Canada for up to six months,

Although Austria generally disallows dual nationality, Article 10, Paragraph 6 applicants are permitted to retain their original citizenship, bringing the scheme in line with those of other jurisdictions offering economic citizenship

provided they obtain an Electronic Travel Authorization (eTA). Bulgaria has yet to join the Schengen Area, although it is taking steps towards membership. Dual citizenship is allowed.

CITIZENSHIP BY INVESTMENT IN CAMBODIA

As early as 1996, provisions were made in Cambodia's Law on Nationality to allow foreigners to naturalise following an investment in the Kingdom. These were further outlined, in their most recent form, by Sub-decree 287 of 2013. On 11 June 2018, the Cambodian Senate approved a draft law aimed at modifying Cambodia's economic citizenship landscape and, in particular, raising investment thresholds. The draft law, however, has yet to reach the final stages of approval.

Cambodia therefore continues to afford economic citizenship to persons who invest 1.25bn Cambodian riels into the nation. The investment must be approved either by the Cambodian Development Council or by the Royal Government. Citizenship is also available to those who donate 1bn Cambodian riels for the restoration and rebuilding of Cambodia's economy.

Knowledge of Khmer history and language is required, and applicants must travel to Cambodia to obtain good behaviour, police, and health certificates, as well as to sign the relevant citizenship oath. Applicants who choose the investment option must register a residence in Cambodia at the time of the application, although they need not live there. This requirement is waived for applicants who choose to donate.

Applications are reviewed by the Ministry of the Interior, although citizenship may only be granted by the King by Royal Decree. The entire process can take between three and six months to complete, with some evidence that speedier processing may be possible.

Citizenship of Cambodia brings visa-free travel rights to around 50 countries and territories, the majority of which are located in Southeast Asia. As a member of ASEAN, Cambodia affords opportunities for facilitated trade and mobility among member states, including the right to work and live abroad for certain professionals. For those wishing to retain their citizenship of birth, Cambodia allows dual citizenship. Finally, as Khmer citizens, applicants may purchase real estate in the country – a privilege exclusive to Cambodians.

THE CYPRUS INVESTMENT PROGRAMME

Grounded in Section 111A of the Civil Registry Laws of 2002-2019, the Cyprus Investment Programme has undergone several alterations. In its original form, it required a €15m investment – a price that discouraged applicant participation. The rules for the current Programme, which is capped at 700 applicants per year, came into effect in May 2019.

Any Non-Cypriot can apply under the Programme, using personal, spousal, or corporate funds to make the necessary donations and investment(s). Such investment(s) must be made at most three years prior to applying and held for five years following citizenship.

Applicants must purchase real estate valued at €500,000 plus V.A.T. and declare that real estate as their permanent residence. They must then make two €75,000 donations – one to the Research and Innovation Foundation and one to the Cyprus Land Development Corporation. Applicants have some flexibility with regards to the first donation. For example, they can show alternative investments in a certified innovative or social enterprise. Finally, applicants must choose one of four €2m investment options.

The first and most popular option involves purchasing or constructing buildings, land development projects, or infrastructure. Applicants who select residential real estate need not spend the additional €500,000 to establish a permanent residence in Cyprus, so long as the chosen real estate had not previously been used in relation to Cypriot citizenship by investment.

The second option involves the purchase or establishment of, or participation in, a Cypriot company with significant activity and turnover, and employing at least five Cypriot or EU citizens. Shipping sector investments are eligible under this option.

The third option entails transferring moneys to Alternative Investment Funds (AIF) or Registered Alternative Investment Funds (RAIF) established and investing exclusively in Cyprus. The AIF or RAIF must be licensed, registered, and supervised by the Cyprus Securities and Exchange Commission (CySec). There are some limitations on the investments that selected AIF and RAIF can make.

The fourth option is a combination of any of the above.

Application and Naturalisation Certificate Issuing Fees apply, and are levied by the Ministry of Interior, which manages the Programme.

Cyprus' six-month long due diligence checks integrate Schengen and other EU controls, as applicants must show a valid Schengen Visa and must not have been rejected for citizenship in other EU member states. Applicants' EU assets must also not have been frozen as a result of sanctions.

Applicants must be resident permit holders for at least six months prior to obtaining citizenship. Permit applications can be made at the same time as citizenship applications and must be lodged in person with the Civil Registry and Migration Department, which records applicant biometrics. Travel to Cyprus is also required for applicants who are approved and take

As Khmer citizens, applicants to the Cambodian scheme may purchase real estate in the country

Picture courtesy of Joshua Yetman/St. George's University

the Oath of Faith. Cyprus does not impose tests or the passing of formal interviews.

Citizenship of Cyprus triggers the right to live and work within the European Union, but it does not occasion membership of the Schengen Area. Citizens may avail themselves of visa-free travel to centres such as Canada and the United Arab Emirates, but not the United States.

THE DOMINICA CITIZENSHIP BY INVESTMENT PROGRAMME

Dominica's Citizenship by Investment Programme was launched in 1993 and is known for being one of the world's most efficient and transparent options for economic citizenship. It plays a major role in promoting social and environmental causes, particularly sustainable development.

The Programme was reshaped by the Commonwealth of Dominica Citizenship by Investment Regulations, 2014 to include diverse investment options and even stricter regulation processes. The Programme's most recent regulations, issued in August 2017, modified some investment thresholds and fees.

The Programme offers two investment opportunities: a one-time contribution into the Economic Diversification Fund (EDF), or an investment in Government-approved real estate. Funds transferred to the EDF have been instrumental in Dominica's national development, particularly through the reconstruction of key infrastructure, sustainable housing, and the agricultural sector.

The EDF option requires a contribution of $100,000 for a single applicant – a value that increases as family members are added to an application. The real estate option requires an investment amounting to at least $200,000, to which a single applicant must add a $25,000 real estate Government Fee. The real estate must be held for a period of three years, which increases to five years if the future purchaser is also an applicant for citizenship by investment. Other applicable fees include Due Diligence and minor Processing and Certificate of Naturalisation Fees.

The Citizenship by Investment Unit is the Government authority tasked with managing and processing applications for economic citizenship. To qualify for Dominica's Citizenship by Investment Programme, applicants must have a clean criminal record and prove they are of good character, as well as pass a series of due diligence checks including those regarding source of funds.

By regulation, the Unit must respond to an application within three months of its submission. Application processing is however often much faster, taking between 45 and 60 days. The Unit continues to maintain one of the fastest processing times in the citizenship by investment industry.

The application process in Dominica is straightforward, as there are no interview, travel, or residence requirements, either before or after attaining citizenship. Applicants also need not learn English, nor show a minimum level of education or business experience.

Benefits of citizenship of Dominica include visa-free travel to over 130 foreign destinations, dual citizenship, and the opportunity to experience a different, eco-friendly lifestyle.

Grenada is, as of May 2019, the only citizenship by investment jurisdiction to allow applicants' siblings to be included in their application, so long as they are at least 18 years old and single with no children

THE GRENADA CITIZENSHIP BY INVESTMENT PROGRAMME

Created in 2013 by the Grenada Citizenship by Investment Act, Grenada's Citizenship by Investment Programme supports the nation's renewable and sustainable development initiatives, and stimulates foreign investment to promote tourism, construction, agriculture, and manufacturing. The Grenada Programme has gained recognition and trust thanks to its due diligence processes.

The Grenada Citizenship by Investment Programme offers applicants two investment options. The first option is a contribution into the National Transformation Fund (NTF), a Government institution responsible for locating and financing alternative, economy-stimulating investments for the country. The second option is an investment in a Government-approved real estate project, which itself presents two choices. Applicants can invest $350,000 in any pre-approved project. Alternatively, they can jointly invest $220,000 in pre-approved tourism developments to which the developer has already committed 20 per cent of the total expected cost. All applicants who purchase real estate from previous economic citizens must hold their real estate for five years.

Applicants under either option are responsible for paying associated Application, Processing, and Due Diligence Fees. A single applicant must make a $150,000 minimum donation to the NTF, while families are responsible for making larger payments. Any application lodged by up to four family members requires payment of an additional $50,000 Government Fee where the real estate option is selected. Additional moneys are required, however, when parents or

grandparents under the age of 55, or siblings, are included in an application.

Grenada is, as of May 2019, the only citizenship by investment jurisdiction to allow applicants' siblings to be included in their application, so long as they are at least 18 years old and single with no children.

Application review has improved since last year, with the Citizenship by Investment Committee (CBIC) no longer experiencing 2018's "prolonged delays," and agents becoming familiar with the country's updated application forms dating to March 2018. Grenada's policies of not requiring an interview, business experience, proficiency in the English language, and travel or residence remain the same.

Grenadian citizenship can benefit successful applicants by providing them with options for global mobility, particularly to China, with which Grenada has an extradition treaty formalised in October 2018. Grenadian citizens are eligible to apply for the United States' renewable E-2 visa. Dual nationality is allowed.

CITIZENSHIP BY INVESTMENT IN JORDAN

Jordan announced the commencement of its economic citizenship programme in February 2018, finding legal basis in the provisions of the Jordanian Nationality Law, 1954 (No. 6 of 1954), and particularly in Article 13(2), which removes the residence requirement for persons whose naturalisation is in the public interest or who are 'Arab' – that is, persons whose father was of Arab origin and who are nationals of a member state of the League of Arab States. It is also possible, if less desirable, for persons to obtain citizenship under Article 5, although such persons must relinquish all other nationalities. No more than 500 persons are accepted for economic citizenship per year.

Applicants have five options. First, they can decide to invest $1m in Jordanian small and medium-sized enterprises, and hold that investment for a period of at least five years. Second, they can deposit $1.5m in a non-interest-bearing account at the Central Bank of Jordan, again for a period of at least five years. Third, they can invest in treasury bonds worth $1.5m, to be held for 10 years at an interest rate determined by the Central Bank of Jordan. Fourth, they can purchase securities from an active investment portfolio priced at $1.5m. Fifth, they can invest $2m in any project across the country, or $1.5m in projects that are located in Governorates outside of that of Amman, that create a minimum of 20 local jobs, and that remain active for no less than three years.

Applications for citizenship are lodged with the Jordan Investment Commission (JIC), an entity established in 2014 to succeed the Jordan Investment Board, which was first founded in 1995. The role of the JIC is to promote investment in Jordan and respond to emerging trends in the international and domestic economic environment. Successful applications must be approved by the Council of Ministers and the Monarch, in a process that takes around two months.

Naturalised Jordanians are barred from political or diplomatic positions, from any public office prescribed by the Council of Ministers, and from becoming members of the State Council for a period of 10 years from the grant of citizenship

Naturalised Jordanians are barred from political or diplomatic positions, from any public office prescribed by the Council of Ministers, and from becoming members of the State Council for a period of 10 years from the grant of citizenship. They are also excluded from participation in municipal or village councils for a period of five years from obtaining citizenship.

Loss of citizenship for naturalised persons is considered whenever a person commits or attempts to commit an act to endanger Jordan's peace and security, or when a person is found to have misrepresented evidence during the naturalisation process. Revocation of citizenship is also possible in certain instances where a person enters foreign military or civil service, or the service of an enemy state.

THE MALTA INDIVIDUAL INVESTOR PROGRAMME

Malta's Individual Investor Programme (IIP) is a strong contender on the European scene. Moulded in its current form by Legal Notice 47 of 2014 and its 2018 amendment, the IIP must not exceed 1,800 successful main applicants.

The IIP presents a single three-tier investment strategy for applicants interested in obtaining citizenship of Malta.

First, the applicant commits to making a €650,000 non-refundable contribution, of which €10,000 must be remitted as a non-refundable deposit upon submission of the application. Of the €650,000 contribution, four per cent is given to the IIP's sole concessionaire and six per cent is delivered to the Malta Individual Investor Programme Agency, which has been processing applications since May 2018. Of the remainder, 70 per cent is distributed to the country's National Development and Social Fund (NDSF) and 30 per cent is paid into the Consolidated Fund. There has been some concern, expressed by the International Monetary Fund in its September 2018 Technical Assistance

Report, that this separation may lead to fragmented budgetary decisions, as the NDSF's Board of Governors has discretion in allocating resources without Government or Parliamentary approval.

Second, the applicant either purchases real estate at a minimum value of €350,000 or rents property at a cost of at least €16,000 per annum. Whether the applicant chooses to purchase or rent, the real estate must be held for a period of five years, during which time it may not be let or sublet.

To complete the investment portfolio, the applicant must also acquire government bonds, stocks, debentures, or special purpose vehicles for a value of €150,000, to be retained for a period of five years.

As well as completing the three-part investment, an applicant must also pay Due Diligence Fees and Bank Charges, and purchase global health insurance of at least €50,000 (to be prolonged indefinitely).

Under the IIP, citizenship is – at best – a one-year endeavour, as applicants must show 12 months' residence on Malta. An e-residence card is issued to enable applicants to live on the island during this time.

Maltese citizenship does not come at the price of one's previous nationality, as dual nationality was allowed in 2000. It brings a number of benefits including the right to live and work in the European Union and visa-free travel to Canada, the Schengen Area, and the US. Successful applicants under the IIP can expect their names to be published on Malta's Gazette, and to be identified as recipients of Maltese citizenship, within 12 months of obtaining their citizenship.

THE ST KITTS AND NEVIS CITIZENSHIP BY INVESTMENT PROGRAMME

Home to the world's most longstanding economic citizenship programme, the Federation of St Kitts and Nevis has a 35-year history of leading the field of economic citizenship. Indeed, the St Kitts and Nevis Citizenship by Investment Programme has earned multiple awards and a reputation as the 'platinum standard' of citizenship by investment.

To qualify for economic citizenship, applicants are invited to invest in either the Sustainable Growth Fund (SGF), the Sugar Industry Diversification Foundation (SIDF), or pre-authorised real estate. Due Diligence Fees apply under all options, as do minor Processing and Certificate of Registration Fees.

The SGF is a relatively new and permanent feature of the Programme, having been established by regulation in March 2018. The SGF substituted the temporary Hurricane Relief Fund (HRF), whose establishment in 2017 resulted in elevated application numbers. Under the SGF, a single applicant must make a minimum donation of $150,000.

SIDF applicants who prefer to pursue St Kitts and Nevis' traditional route to economic citizenship can continue to contribute a non-refundable sum of $250,000. Contributions are redirected to projects that facilitate the country's transition from an economy specialised in sugar production, to one that offers a variety of services and products.

There are two branches to St Kitts and Nevis' real estate option. Under the first branch, the applicant must buy property worth at least $400,000, and keep it for five years. Under the second branch, the applicant must make a joint investment with another applicant, with each investment worth at least $200,000. The investment must be retained for a period of seven years. A $35,000 real estate Government Fee is applicable for single applicants irrespective of the real estate branch they select.

The Citizenship by Investment Unit, which processes all applications for citizenship by investment, normally issues approvals or denials within three months, having dealt with the application build-up caused by the success of the HRF. A VIP Accelerated Application Process (AAP), available at a premium fee, allows applicants to receive their passport within 60 days of submitting their application. Currently, St Kitts and Nevis is the only citizenship by investment nation to offer a secure, fast-track route. There is no interview, language, education, or business requirement for any of the options chosen. Travel to the twin-islands is not obligatory, and no minimum residence stays apply either prior to or after citizenship is obtained.

Due diligence procedures remain among industry's most robust and are expected to be further strengthened following new regulations focusing on fingerprinting and biometrics.

Benefits of citizenship of St Kitts and Nevis include visa-free travel to a growing number of worldwide destinations – the highest of any citizenship by investment country in the Caribbean. Citizens are allowed to hold multiple nationalities.

"The St Kitts and Nevis Citizenship by Investment Programme has earned multiple awards and a reputation as the 'platinum standard' of citizenship by investment

THE ST LUCIA CITIZENSHIP BY INVESTMENT PROGRAMME

Inaugurated in January 2016, St Lucia's Citizenship by Investment Programme is the Caribbean's newest and most uncertain economic citizenship programme. There are concerns with respect to the real estate arm of the Programme, which has seen project cancellations and suspensions, and which currently only features one approved development. There are also continued claims by the St Lucia opposition party that legislative changes to the Programme "will be repealed upon a return to governance" and that transparency remains a concern.

St Lucia has four investment options. The fastest option is a contribution to St Lucia's National Economic Fund (NEF). Moneys deposited into the NEF are intended for progressive local development projects selected by the Minister of Finance with the approval of Parliament. Originally set at a $200,000 contribution, on 1 January 2017 the Government reduced the entry threshold to $100,000.

The second option under the Programme asks applicants to make a minimum investment of $300,000 into a Government-approved real estate project. To date, the Government has designated one real estate project for selection under this option, which, upon purchase, must be held for a period of five years.

Applicants may also acquire government bonds worth at least $500,000. The bonds must be held for five years and cannot return a rate of interest.

Under the Programme's final option, applicants can make a minimum investment of $3.5m into a Government-approved enterprise project. Projects, which may be initiated by applicants themselves, can range from the building of a port to the establishment of a university, and must result in the creation of at least three permanent jobs. Applicants may partner with others to launch a joint venture, so long as a total minimum investment of $6m is made, with each investor contributing no less than $1m. At least six permanent jobs must be generated as a result of the joint venture.

Due Diligence Fees are always levied. Processing Fees apply under all options except for investments in real estate, while Administration Fees apply only to the real estate, government bond, and enterprise project options. The latter start at $30,000 for real estate investors, and at $50,000 for single applicants choosing the government bond or enterprise project routes.

Applications are processed by the Citizenship by Investment Unit and are returned with an approval or denial within three months of submission. There is no need for applicants to learn English, or to prove any business skills or education. Applicants also need not attend an interview, reside in St Lucia, or travel to the island.

Citizenship of St Lucia offers a viable alternative for anyone seeking a relaxing lifestyle and global access to around 145 countries and territories. St Lucia has no restrictions on holding dual nationality. New Regulations, gazetted in April 2019, provided for family members of applicants to be included in an application for economic citizenship even after the investor is granted citizenship, bringing St Lucia in line with other Caribbean nations offering citizenship by investment.

CITIZENSHIP BY INVESTMENT IN TURKEY

Turkey's economic citizenship programme was launched in January 2017. It finds its basis in Turkey's Citizenship Law, Act No. 5901 and in Regulation 2016/9601, passed by the Council of Minister on 12 December 2016. Article 12 of the Act specifies that a person may obtain Turkish citizenship for "outstanding service in the social or economic arena" provided this creates no obstacle to "national security and public order." Regulation 2016/9601 was amended by Regulation 2018/30540 and Presidential Decree 106, made on 18 September 2018 and gazetted a day later. It was further amended by Regulation 2018/418, made in December 2018.

> The Turkish scheme has no restrictions on an applicant's country of origin, making it a popular option for those who are banned from partaking in the programmes of other nations

Applicants interested in obtaining citizenship of Turkey may do so by choosing one of five routes. The first three routes each entail retention of the investment for a period of three years. They are: purchasing property valued at $250,000, depositing $500,000 in a Turkish bank, or investing $500,000 in government bonds. The applicant must ensure recognition of the investment by either the Ministry of Environment and Urbanisation, the Council of Bank Audit and Regulation, or the Ministry of Treasury and Finance, depending on the chosen investment. The remaining two routes to citizenship are an investment of $500,000 in fixed capital, to be acknowledged by the Ministry of Industry and Technology, or the creation of 50 jobs in Turkey, to be

Picture courtesy of Vanuatu Tourism Office/David Kirkland

acknowledged by the Ministry of Family, Labour, and Social Security.

The application process can take several months – a result of the uptake in applications following the 2018 amendments. There is no requirement for applicants to learn Turkish or to attend a mandatory interview. There is also no requirement to establish residence by physical presence. However, the applicant will need to obtain an investor residence card.

There are no restrictions on an applicant's country of origin, making the Turkish citizenship by investment route a popular option for those who are banned from partaking in the programmes of other nations.

While the ultimate decision on the grant of economic citizenship originally rested with the Council of Ministers, following the 2018 amendments it is now in the hands of Turkey's President.

Turkey allows dual nationality and is considered a moderate country within the context of the Middle East. Despite various attempts at obtaining visa-free travel to the Schengen Area, including by the making of an agreement with the European Union on the flow of refugees, Turkish nationals must obtain visas to enter the Schengen member states. They must also apply for visas to Canada and the United States.

THE VANUATU DEVELOPMENT SUPPORT PROGRAMME

The Pacific island of Vanuatu has two concurrent citizenship by investment programmes: the Development Support Programme (DSP) and the Vanuatu Contribution Programme (VCP). Until recently, the DSP had been limited in scope, offering honorary citizenship that reduced one's ability to vote and partake in public life. This changed with the Citizenship (Amendment) Act (No. 34 of 2018). The DSP was further enhanced by the Citizenship (Development Support Programme) Regulations Order No. 33 of 2019, which improved the programme's competitiveness, bringing applicant costs in line with the VCP whilst also enabling participation by Ni-Vanuatu designated agents with an office registered in Port Vila. The VCP, on the other hand, remains the purview of a single agent and its affiliated exclusive marketing agent, based in Hong Kong.

Applications under the DSP are processed by the Citizenship Office and Commission, an entity established under the Vanuatu Citizenship Act.

Vanuatu's applications are processed rapidly, although some slowdown is recorded as a result of the oath of allegiance procedure having to be completed in the physical presence of a Commissioner for Oaths prior to applicants receiving citizenship

The minimum sale price for a single applicant under the DSP is $130,000, of which the Government retains $80,000. Due Diligence, Application, and Certificate Fees apply. Applicants must commit 25 per cent of this value prior to the application being considered, and in the knowledge that this amount would be lost should the applicant fail to pass scrutiny.

Applications are processed rapidly, although some slowdown is recorded as a result of the oath of allegiance procedure having to be completed in the physical presence of a Commissioner for Oaths prior to applicants receiving citizenship. Currently, a valid Commissioner for Oaths can be found in Vanuatu, Dubai, Hong Kong, and Singapore. Citizenship certificates may be received by a designated agent and do not require additional travelling.

Limitations also exist with respect to the applicant's choice of designated agent, as applicants cannot decide to change their representative agent unless their application is progressing at an unreasonably slow pace, which is defined as in excess of six months.

Applicants benefit from the Government not imposing a language test, which could otherwise require mastering of any of Vanuatu's three official languages (English, French, and Bislama). Applicants also need not sit an interview, or study the culture or history of the island.

There is a close rapport between Vanuatu and China, something that made headlines in June 2019 when certain Chinese-born DSP citizens were repatriated allegedly without due process. Despite this, citizens of Vanuatu cannot access China visa-free. They can, however, travel without a visa to Hong Kong, Russia, the Schengen Area, and the United Kingdom. ●

Country snapshots

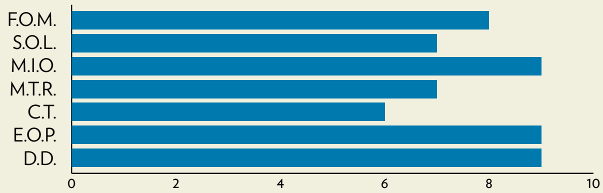
ANTIGUA AND BARBUDA

CAPITAL CITY
St John's

POPULATION (2018)*
96,286

OFFICIAL LANGUAGE
English

CURRENCY
Eastern Caribbean dollar



Final score 79%

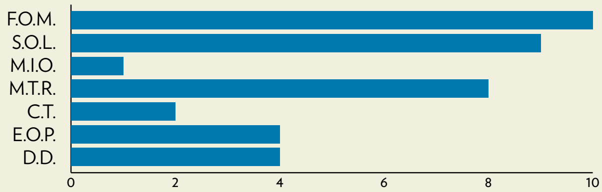
AUSTRIA

CAPITAL CITY
Vienna

POPULATION (2018)*
8,847,037

OFFICIAL LANGUAGE
German

CURRENCY
Euro



Final score 54%

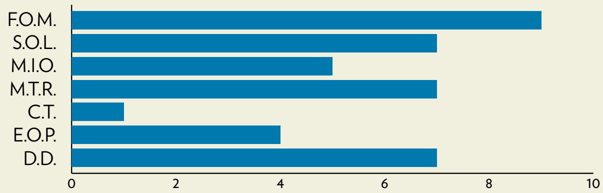
BULGARIA

CAPITAL CITY
Sofia

POPULATION (2018)*
7,024,216

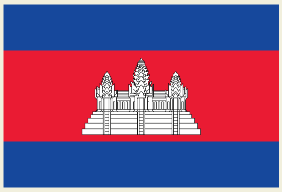
OFFICIAL LANGUAGE
Bulgarian

CURRENCY
Bulgarian lev



Final score 57%

CAMBODIA

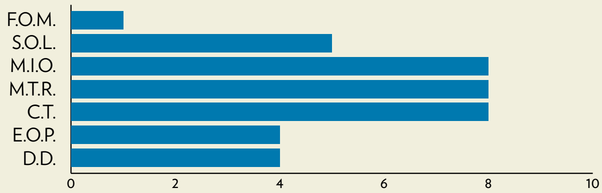


CAPITAL CITY
Phnom Penh

POPULATION (2018)*
16,249,798

OFFICIAL LANGUAGE
Khmer

CURRENCY
Cambodian riel



Final score 54%

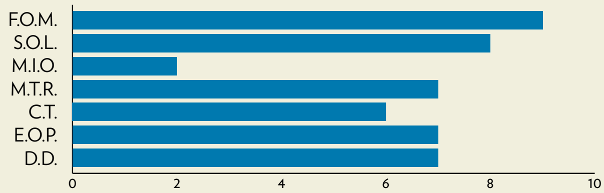
CYPRUS

CAPITAL CITY
Nicosia

POPULATION (2018)*
1,189,265

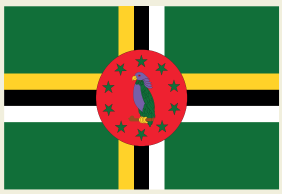
OFFICIAL LANGUAGE
Greek, Turkish

CURRENCY
Euro, Cypriot pound



Final score 66%

DOMINICA

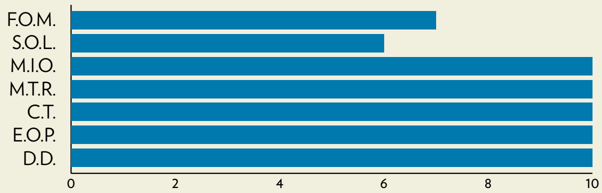


CAPITAL CITY
Roseau

POPULATION (2018)*
71,625

OFFICIAL LANGUAGE
English

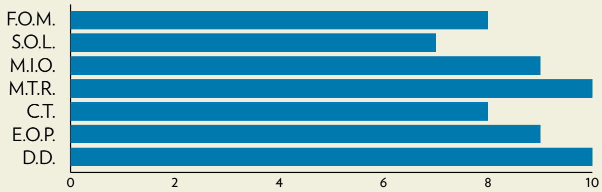
CURRENCY
Eastern Caribbean dollar



Final score 91%

GRENADA

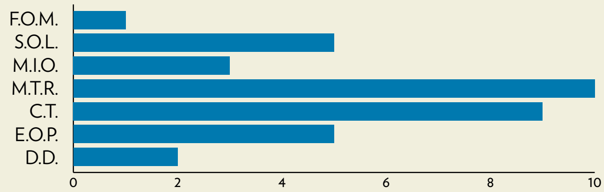
CAPITAL CITY
St George's
POPULATION (2018)*
111,454
OFFICIAL LANGUAGE
English
CURRENCY
Eastern Caribbean dollar



Final score 87%

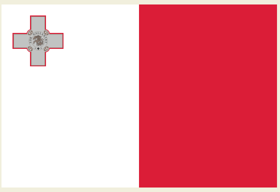
JORDAN

CAPITAL CITY
Amman
POPULATION (2018)*
9,956,011
OFFICIAL LANGUAGE
Arabic
CURRENCY
Jordanian dinar

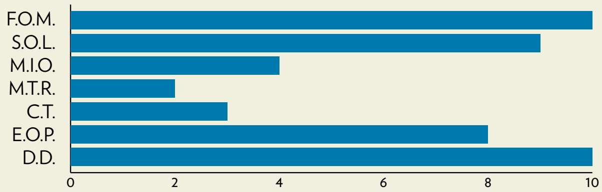


Final score 51%

MALTA



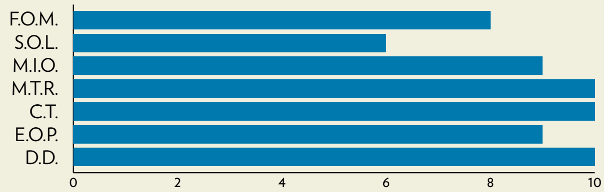
CAPITAL CITY
Valletta
POPULATION (2018)*
483,530
OFFICIAL LANGUAGE
Maltese, English
CURRENCY
Euro



Final score 65%

ST KITTS AND NEVIS

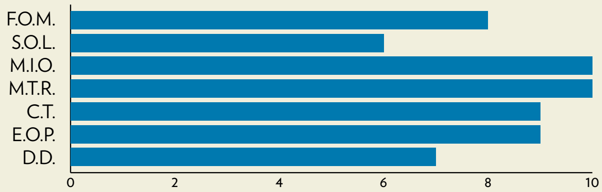
CAPITAL CITY
Basseterre
POPULATION (2018)*
52,441
OFFICIAL LANGUAGE
English
CURRENCY
Easter Caribbean dollar



Final score 89%

ST LUCIA

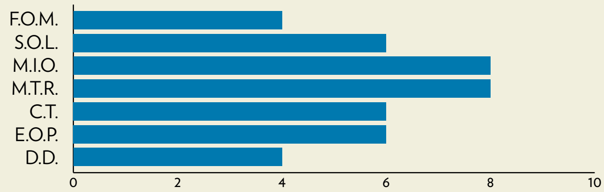
CAPITAL CITY
Castries
POPULATION (2018)*
181,889
OFFICIAL LANGUAGE
English
CURRENCY
Eastern Caribbean dollar



Final score 84%

TURKEY

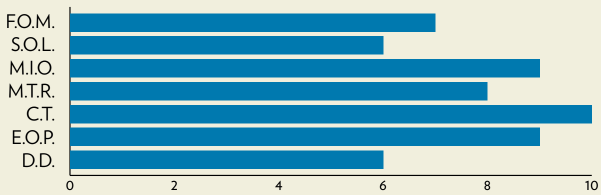
CAPITAL CITY
Ankara
POPULATION (2018)*
82,319,724
OFFICIAL LANGUAGE
Turkish
CURRENCY
Turkish lira



Final score 61%

VANUATU

CAPITAL CITY
Port Vila
POPULATION (2018)*
292,680
OFFICIAL LANGUAGE
English, French, Bislama
CURRENCY
Vanuatu vatu



Final score 78%

* Source: the World Bank Data Bank; last checked 18/7/19