A professional portrait of a man with short, dark hair, a light beard, and a goatee. He is wearing a dark suit jacket over a white dress shirt. The background is a plain, light gray.

“Citizenship programs are nowadays viewed as perfectly respectable due to the fact that they have proper legal frameworks, providing the legal certainty that an applicant needs.”

- **Till Neumann**

# Passports for Sale

## INTERVIEW WITH TILL NEUMANN, IMCM FOUNDER AND MANAGING PARTNER OF CITIZEN LANE

**The luxury of a global lifestyle and world travel can be achieved through acquiring a second passport. Citizenship-by-Investment (CBI) programs are a respectable way to acquire this. A second passport presents holders with various benefits such as easier travel, added security, and simpler tax situations. In this interview with Till Neumann, IMCM, founder and managing partner of Citizen Lane, he shares to our readers the numerous opportunities with CBI programs and why Citizen Lane should be your preferred partner in acquiring an alternative citizenship.**

**Q** We have heard from some of our journalist colleagues that it is possible to buy a passport and citizenship. What are these such called Citizenship-by-Investment programs and what are the benefits of acquiring an alternative citizenship?

**A** Indeed some countries not only offer the well-known routes to citizenship such as *ius sanguinis* and *ius soli* – the law of the blood and law of the soil; they go one step further and offer their citizenship through an investment. This route is actually quite similar to the residency practice of many countries, including the USA, Great Britain, and almost every other country in the world: Residence-by-Investment.

Citizenship-by-Investment (CBI) programs offer investors and wealthy individuals easier ways to attain citizenship through economic investments in the country.

Citizenship programs are nowadays viewed as perfectly respectable due to the fact that they have proper legal frameworks, providing the legal certainty that an applicant needs. Compliance

with the increasingly strict rules set by the responsible authorities is essential. Even though some people would call these countries “banana republics”, regarding legal set up they are on western standards; most of these countries have been former British colonies or territories.

A second passport is a product with several serious benefits for the citizenship investor. For our clients the relative investment hurdle varies depending on their nationality and financial capability as they are having different aims. Whereby the usual non-western client has probably 1-5m US\$ in assets and looks for a solution, which facilitates traveling and provides more security, chooses a country like Vanuatu, St. Kitts & Nevis or Antigua & Barbuda. A western client who is rather interested in tax benefits or more anonymous travel is rather more wealthy than a non-western individual. In general one can say a wealthier client prefers Cyprus or Malta, as these offer European Union citizenship and passport. But the reasons and decisions are always very individual.

**Q** But why is somebody willing to pay several hundred thousands or even millions for a passport? What are the advantages of getting an alternative citizenship over getting a visa in terms of travelling?

**A** First of all we are talking about a citizenship investment – not only a passport. Acquiring an alternative citizenship provides investors benefits such as easier travelling, security, to avoid compulsory military service, tax optimisation, and last but not least an attractive investment opportunity, if one decided wisely.

Just imagine you want to take your wife out for a shopping weekend in Paris. If you are an EU



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**“With the rise of economic and political instability around the world, an alternative citizenship gives people threatened by political, religious or ethnic persecution independence and freedom.”**

citizen or a US citizen: No problem. If you are a Russian, UAE or Chinese citizen, you are facing the problem: You need a visa. Same happens if you have urgent business meetings which you cannot attend because of visa applications or even delays in issuing a visa, which forces you to cancel flights and hotel accommodations.

A second passport not only gives one visa-free access to more countries, it also facilitates in some cases the application procedures and in case one needs to apply nevertheless for a visa: these visas are granted usually for a much longer period.

Acquiring the passport of certain countries through Citizenship-by-Investment programs grants wealthy people more freedom of movement. This creates new opportunities with higher levels of travel comfort and convenience.

You see, the luxury of a global lifestyle and world travel, which is “normal” for Europeans or Americans, is often associated with difficult visa requirements.

These passports also provide additional privileges which may not be available to visa holders.

Additionally, travelling with a small, politically unaffiliated country’s passport gives the citizen and his family more anonymity and security.

**Q** You say alternative citizenship provides investors security. How is an alternative citizenship relevant today with the ongoing conflicts and wars in numerous countries?

**A** With the rise of economic and political instability around the world, an alternative citizenship gives people threatened by political, religious or ethnic persecution independence and freedom.

Should the situation arise, a second passport from Cyprus or Malta is the best preparation to be able to immediately leave one’s home country and relocate to any EU country. Furthermore,

diplomatic services abroad are also available to qualified holders.

**Q** How does an additional citizenship simplify the tax situation of a person?

**A** In certain situations, an additional citizenship can simplify the tax situation of a person, or make it clearer. The respective situation is always to be discussed in detail with a tax expert.

Usually, tax lawyers refer clients to us for different reasons: tax optimisation in regards of income tax, inheritance tax. Beyond this, many French and German citizens want to be prepared to renounce their first citizenship because it might soon be reality that they even have to pay income taxes to their home country if they are living abroad, like US citizens.

**Q** How can investors take advantage of business opportunities in a country with an alternative citizenship?

**A** Well, a residence permit or citizenship in a country makes the founding of a company in one’s own name possible without having to involve third parties. This can ease market entry into other countries for entrepreneurs and thus save time and costs.

**Q** Can anyone “buy” an alternative citizenship through a CBI program? What are the procedures and requirements involved?

**A** CBI programs do not automatically enable someone who has the funds to “buy” citizenship. Beyond sufficient financial resources, it is essential to have a clean criminal background and a good reputation in order to qualify for a Citizenship- or Residence-by-Investment Program.

The serious citizenship programs maintain tough application procedures and these applicants are by far much deeper checked than anyone else applying for residence or citizenship in a country (e.g. If you apply for citizenship because you stayed a certain number of years in a country or if you are marrying someone).

Thorough background checks on CBI program applicants ensure that both the client and country’s government get a mutually beneficial, strong and trustworthy partnership. These conscientious background checks are



furthermore essential for third party countries, to which the second passport grants visa free travel. The countries offering CBI programs are absolutely aware that they would risk their visa waiver agreements if they would grant citizenship and issue passports without the thorough background checks. These due diligence processes are much more in depth as any visa check of any other country.

**Q** How does Citizen Lane handle clients who might be considered as an eventual risk to a country's reputation?

**A** Impunity is essential. That's why we use for our internal due diligence background checking tools as they are used by Swiss banks. The due diligence checks of the governments are even much broader. A criminal background is a no go for applicants. Serious governments like Cyprus, Malta, Vanuatu, St. Kitts & Nevis and Antigua & Barbuda, engage private investigation firms such as IPSA International, BDO and others to check the background of applicants. There are also checks against international wanted lists. Even negative media reports about an applicant can also prompt the authorities to reject an application. Any person's citizenship application which might be considered as an eventual risk to a country's reputation will be denied.

**Q** What are the issues faced by clients and governments in Citizenship-by-Investment and Residence-by-Investment programs and how does Citizen Lane help its clients overcome them?

**A** The philosophy of Citizen Lane consists of providing personal and customised services for discriminating clients in the areas of Citizenship-by-Investment and Residence-by-Investment.

Citizen Lane works closely together with its clients tackling issues like tax, individual security needs and personal conceptions of freedom, language, political and legal aspects and local practices and customs.

Citizen Lane takes into consideration the client's personal and family situation regarding the selection of the right citizenship program and the best investment category possible. We

efficiently execute the application process from start to finish.

Citizen Lane's sound knowledge on various citizenship programs and our expertise on the local situation make it possible for us to provide a quality, personal, lean service fit for our client's needs.

**Q** What differentiates Citizen Lane from other service providers and law offices?

**A** Citizen Lane is one of the very few companies providing international Citizenship-by-Investment advisory and processing for a broad choice of citizenship programs. This allows us to consult a client and provide him the best solution. It is obvious that a lawyer of a specific country wants to sell his own solution. We are consulting independently. That's a big advantage. It is important to us that the client receives honest and independent advice and that we do not just sell a product.

Furthermore, Citizen Lane places great value on individual care, on support even after the approval process, and offers services free of third-party costs, making it different from other service providers and law offices.

We understand ourselves as a dedicated

**“Acquiring the passport of certain countries through Citizenship-by-Investment programs grants wealthy people more freedom of movement.”**

Petra tou Romiou, Cyprus  
"Rock of the Greek" or  
"Aphrodite's Rock" –  
According to one legend  
this rock is the birthplace  
of the goddess Aphrodite.





boutique consulting firm which offers also processing of the most common and also niche solutions in regards of Citizenship-by-Investment and Residence-by-Investment. We have been working on a few projects with immigration lawyers of other jurisdictions, as our clients appreciate having a company leading the process which has knowledge of the typical hurdles in an immigration process. The client's advantage is then a solution provided of one company.

**Q** Coming back to the “passport schemes”: such as CBI programs. I assume these do also attract bribes and illegal interest, how does partnering with Citizen Lane assure clients legitimacy, quality and correct ethical behaviour of their provided solutions?

**A** As a member of the Investment Migration Council (IMC), Citizen Lane follows its IMC Code of Ethics and Professional Conduct, which assures clients legitimacy, quality and correct ethical behaviour of the provided solutions. At Citizen Lane we only offer solutions which are based on a legal basis which has been gazetted by the parliaments and governments of one country. Nevertheless, the share of applicants with criminal motivation is due to the high investment amounts, the thorough background checks and the availability of much cheaper illegal passports obviously very limited.

**Q** What CBI programs are the most popular and attractive for investors who would want to acquire a second passport? What opportunities and benefits do these programs offer potential investors?

**A** Currently the Cypriot citizenship program is one of the most attractive programs. Various

opportunities are available to those who wish to invest in Cyprus through the CBI program. The scheme of the program is attractive since its processing times are just three to four months on average, making it one of the most efficient CBI programs in the world. Furthermore, acquiring Cypriot citizenship has relatively low and effective related costs, as the major part of the spent amount is an investment: for example in real estate, a company or government bonds which must be held for three years only. The minimum investment amount is €2 million.

Cyprus' corporate tax rate is among the lowest in the world at 12.5% which is an advantage since Cyprus signed a number of agreements avoiding double taxation.

Cyprus is a member of the European Union and has agreements for visa-free travel with currently 157 countries. It also grants its holders to seek residence, work, and subject to local reporting obligations in every EU country and Switzerland.

**Q** What about the risk of the involved investments in Cyprus? How does the increase in tourism in Cyprus benefit and attract investors in pursuing a Cypriot citizenship through investment?

**A** Cyprus boasts of at least 320 days of sunshine a year and world-class beaches to enjoy making it an appealing country to invest in or migrate to. The influx of visitors creates an increase in lodging requirements and higher property values. This creates opportunities for holders of property in Cyprus to rent their properties during parts of the year to generate income.

After the financial crisis property prices dropped and they have been recovering steadily during the last years. Having a broad network in Cyprus, we know the real estate market in Cyprus quite well; currently we see the trend continuing. Nevertheless all investments are carrying risks. But exactly those are the reasons why clients prefer to talk to us, as we can give also in this regard an independent advice.

An increase in property values can also be beneficial to homeowners who would want to sell their properties for a profit.

**“AT CITIZEN LANE WE ONLY OFFER SOLUTIONS WHICH ARE BASED ON A LEGAL BASIS WHICH HAS BEEN GAZETTED BY THE PARLIAMENTS AND GOVERNMENTS OF ONE COUNTRY.”**





**Q** According to what we have read, another attractive option is Vanuatu’s Citizenship-by-Investment program which offers the best value for money for its donation option, as a family of four only needs to pay US\$230,000. What are the benefits for investors to acquire a Vanuatu citizenship?

**A** The citizenship program of Vanuatu, the Vanuatu Economic Rehabilitation Program (VERP), was introduced by the government with the aim to raise money for the reconstruction of infrastructure after the cyclone Pam hit the country in March 2015.

Like the Cypriot citizenship program, the Vanuatu CBI program is also attractive because of its short processing times of just one to two months, making it probably the most efficient program in the world.

For most of your readers, Vanuatu probably just well known as an off-shore jurisdiction, which of course offers lots of possibilities in this regard. Investors in Vanuatu appreciate also that they have no income tax, no capital gains tax, no wealth tax and no inheritance tax and

last but not least the trust law and available asset protection solutions.

Currently we are processing the case of an American citizen who is explicitly not looking for a Caribbean citizenship solution. He is interested in having a safe hideaway, far from the “Western World”, far away from terrorism and warfare.

**Q** Vanuatu has been criticised in the past for not being a-jour with anti-corruption compliance, but it has caught up. How does Vanuatu’s anti-corruption policy benefit potential investors and the country’s government?

**A** That’s a good point! Not even a month ago I have had a meeting with the ambassador of Vanuatu in Brussels, HE Mr Roy Mickey Joy. This topic has been an important point on our agenda. As many other countries, Vanuatu has realised that anti-corruption is essential for a prospering country. Vanuatu has given an unwavering commitment to keep the country’s reputation for integrity spotless. In 2015 there have been trials and more than a dozen high-ranking officials have been sentenced to prison for a

Iriki island, Vanuatu. The Vanuatu CBI program is probably the most efficient program in the world.

Photo courtesy: Michael Schilling <https://flic.kr/p/Kh7ten>

“Vanuatu has given an unwavering commitment to keep the country’s reputation for integrity spotless.”



As part of its role to assist St. Kitts & Nevis in the development of human capacity and the transformation of the economy, the SIDF designed the REACH program (Recognising Everyone's Ability to Climb Higher) to provide equitable access to post secondary education for qualified students. Under this program, two-year scholarships are awarded to students to pursue studies e.g. at the Clarence Fitzroy Bryant College (pictured above).

“St. Kitts & Nevis is advantageous to wealthy people who wish to be part of a proper financial and tax plan.”

long time. This is a strong sign that they not only sacrificed a pawn but also take anti-corruption really seriously. They know that this is indispensable also for the reputation of Vanuatu and its citizenship program.

This safeguards the best economic interests of Vanuatu and its citizens and counters financial crime in the country and elsewhere. One should congratulate the country for these steps.


**Q** What opportunities and benefits are available for those interested in becoming a citizen through an investment in St. Kitts and Nevis?

**A** The two islands of St. Kitts & Nevis are currently pretty well developing, not only economically, where the tourism industry is growing steadily. But also the real estate market is well developing. From this perspective the least expensive, and relatively secure citizenship option comes with a real estate investment in St. Kitts & Nevis. Just to name one example: in the south of the island at Christophe Harbour are some outstanding villas available, and furthermore just this year the Caribbean's new super yacht marina has opened at this site and attracts a lot of new tourists. No doubt, St. Kitts & Nevis is developing to a prudent planned paradise jet-set destination!

Alternatively, investors can choose to donate to the Sugar Industry Diversification Foundation (SIDF). The SIDF subsidises government projects in sectors which promote prosperity in health, care, education, culture, environmental protection, and the like.

As explained, investors can choose to invest in state-approved real estate properties which are one of the most beautiful places on earth. Besides the investment of at least US\$400,000 there are only additional fees and costs of about US\$90,000 for a single applicant. The property can be sold after five years. If one would choose the donation option, total costs of about US\$290,000 would arise for a single applicant.

The Citizenship by Investment Program in St. Kitts & Nevis was introduced in 1984. Being a pioneer in developing a citizenship program it has had a rough history. It was recently reformed leading to fortified trust and confidence from investors. Also the International Monetary Fund confirmed the positive effect of the citizenship program to St. Kitts & Nevis.

Similar to Vanuatu also St. Kitts & Nevis is advantageous to wealthy people who wish to be part of a proper financial and tax plan. It has a special tax environment with no income or capital gains tax. The Nevis trust law offers investors solutions for estate planning and asset protection – Nevis trusts are exempt from tax and stamp duties. 

### About the Interviewee

**Till Neumann** is founder and Managing partner of Citizen Lane a consulting and law firm focusing on investor migration. Previously he has been department head at Henley & Partners, the leading company in the industry of investor migration. As an expert in the industry he is an eligible speaker on industry conferences. With a view to independent and holistic consulting and execution of related processes he assists wealthy individuals from all over the world.

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