

# Passports for sale: Countries should be free to sell citizenship, but not to crooks

There are many good reasons for wanting a second passport, but also some bad ones



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WHEN Roman Abramovich had problems renewing his British visa, he turned to Switzerland. It rejected his residence application, however, after Swiss police said he posed a “reputation risk”. (He denies wrongdoing.) The colourful Russian billionaire and owner of Chelsea football club now has an Israeli passport, allowing him visa-free travel to Britain, and is converting a former hotel into his Tel Aviv pad.

Israel offers nationality to any Jew who asks for it. Other oligarchs have to pay for the privilege, but they are spoilt for choice. Citizenship- and residence-for-sale schemes, typically charging between \$100,000 and \$2m, are booming (see [article](#)). More than a dozen countries sell passports and around 100 sell residence. An industry of lawyers, bankers, accountants, consultants and estate agents has sprouted up to serve well-heeled “investment migrants”.

The idea of selling passports repels some people. Citizenship is a sacred bond, they argue, and should be granted only to foreigners who prove themselves worthy. Why should the rich be allowed to jump the queue? Especially since some of the queue-jumpers are crooks or tax-dodgers, who want a new home in which to hide or launder their loot.

There are legitimate reasons for wanting a second passport. Travelling businessfolk from poor or Muslim countries face endless visa hassles unless they have one. Others seek an extra passport as insurance against instability or persecution. More than a third of rich Chinese would like a foreign bolthole (which may mean flouting China’s ban on dual citizenship). Countries meeting this demand gain a straightforward benefit: easy money to spend on public services. For hurricane-hit Caribbean states, passport-flogging has been a lifeline.

Regardless of who gains, a principle is at stake. Countries have every right to reserve citizenship for people who try to become like the native-born population, for instance by learning the language. But they also have the right to sell it, if voters agree. Citizenship is a basic matter of national competence.

### **Citizens of somewhere, and somewhere else**

Its sale should not be unconstrained, however. Member states of the European Union need to agree on common principles governing whom to admit, since a passport from one gives access to live and work in all. Tiny states that sell lots of passports face another risk. If they overdo it, native voters could eventually be outnumbered by citizens of convenience. Some states may therefore wish to restrict voting rights to those who forge a deeper connection with the place, for instance by residing there for a minimum period each year.

All citizenship-sellers, large and small, should do more to weed out undesirables. Too often, their programmes open a back door to dirty money; think of the ill-gotten Russian gains that have been laundered through Cyprus, one of the EU's most enthusiastic hawkers of passports. The industry talks a good game, emphasising recent improvements in client-vetting. But it has moved too slowly.

The time has come for stricter "know-your-customer" rules and the blacklisting of countries that offer havens for migrants with dirty money. Stiffer rules are also needed to thwart passport-buyers whose aim is to evade tax on money that was lawfully earned. In the United Arab Emirates, for instance, foreigners are buying residence and using it to secure tax residence too, which allows them to block the flow of data to tax authorities elsewhere. Banks should be required to establish where clients' personal and economic links are strongest, and to snitch on those whose tax residence looks like a sham.

There are many sound reasons to grant residence or citizenship to foreigners who are prepared to pay for it. Abetting criminals is not one of them.