

# Notebook: Glitter comes off golden visas

*Portugal's investigation will increase scrutiny of these programmes*



I should be sympathetic to people's need for [golden visas](#), and even more so for [second passports](#). Before I became a British citizen (because I live and work in London), I spent a good part of my life travelling on a Lebanese passport – which was a nightmare when it came to obtaining visas, and even raised red flags at airports. My most chilling moment was in Rome,

where I was once accompanied by a security guard from check-in to boarding and made to feel I was a menace to other passengers.

I doubt my parents would have invested in a residency permit or a second nationality even if they'd been able to afford it. It wasn't an easy option, in any case. These days it is much more common to shop for golden visas, permanent residency and even citizenship. The critical ingredient is cash. As financially strained governments have discovered a quick way to boost investment, demand for immigration options has skyrocketed, especially from wealthy Chinese and Russians.

Websites help you pick the best golden visas, quite a few of them European. A growing number of banks, law firms and consultancies are dedicating staff to advising on the most efficient programmes for temporary or permanent residency and a new nationality. Some countries, meanwhile, are openly advertising citizenship.

In the past two years [Portugal's golden visa](#) has been among the most successful. A minimum property investment of €500,000 allows you to live in the country for five years, travel to 25 others in Europe and apply for permanent residency.

This week the [glitter came off the Portuguese scheme](#) when a police investigation led to a string of detentions, including the head of the border agency and a senior justice ministry official. Part of the investment, the police suspect, might have been lining officials' pockets.

Sometimes scandals are useful, if only to remind us of the side effects of a rapidly expanding financial arrangement. Portugal's investigation will increase scrutiny of these programmes, though it probably won't stop abuses. There are plenty of reputable business people who need flexibility of travel and an insurance policy for the future. But dodgy clients, too, are attracted to the schemes.

Still, the Portuguese debacle could put a damper on a fast-growing industry. According to Christian Kalin of Henley & Partners, Switzerland, residence-by-investment programmes attract about \$5bn a year in foreign direct investment; and citizenship by investment another \$2bn. Both figures are increasing at 20 per cent a year.

There's been so much interest in [immigration](#) alternatives that experts have established the Investment Migration Council, whose mandate is to promote the industry and set standards of transparency.

Dimitry Kochenov, who runs the IMC, was an adviser on the Malta citizenship programme, which I'm told is the one most favoured by industry specialists. Malta's residency requirement is only one year, and the total price is less than €1.2m, part of it in a non-refundable contribution to the National Development and Social Fund. There are quicker options: a passport from the tiny Caribbean islands of St Kitts and Nevis, for example, can be acquired for a \$400,000 property investment or just \$250,000 in contribution to the sugar industry fund – and it doesn't require recipients to spend any time in the country. Indeed, in May a US Treasury department alert warned financial institutions that some Iranians had been using St Kitts citizenship to circumvent sanctions.

Professor Kochenov says he is promoting a concept, not the sale of citizenship. His argument is that there is no straightforward connection between citizenship and feelings towards a country. "There are of plenty of sceptics around the world . . . People say you can't sell citizenship," he says. "But there is a misunderstanding about citizenship. People think of it as a sentiment, not as a legal status."

Having spoken to the professor, I am still sceptical. Maybe I'm sentimental. A golden visa I might just about understand. But trading cash for citizenship in a country where you don't intend to live, or even visit, is a step too far.