

Citizens without borders

In a world of guarded international borders, strict entry controls, and complex immigration laws, he who can travel at will is king

When 9/11 happened, demand for a second citizenship rose amongst those who needed the flexibility to travel at will and avoid restrictive visa and immigration policies that sprang up worldwide.

Seven years later, the demand for this level of mobility is stronger than ever. Many countries have put in place tighter immigration and residency laws – driving more people to seek the safety and flexibility offered by a second citizenship and passport.

Jonathan K Chalmers, an associate with Henley & Partners, a global specialist in international residence and citizenship planning, comments: “More than before 9/11 you may suddenly find it impossible to obtain visas due to temporary visa restrictions, or due to your nationality you may be overly exposed to terrorist threats or other hostility.

“If you are a US citizen, for example, it may be a good idea in some countries not to use your US passport but instead check in at the hotel or airport with your second passport.”

In Dubai last year, Henley & Partners, together with HSBC, held its Global Residence & Citizenship Conference that attracted many individuals searching for new residence options and business opportunities. This year’s conference will be held at The Island Shangri-La, Hong Kong on November 19-21.

Mr Chalmers shares his views on global residency and how individuals can gain the flexibility it provides.

Is there a growing global trend of people seeking second citizenship?
Yes, definitely. Today, a person of talent and means need not limit his or her

personal life and professional business to only one country. Dual nationality is the inevitable result of the increased mobility of large numbers of people and of the growth of an integrated world economy. In this environment, acquiring and using more than just one citizenship enhances one’s personal liberty in many ways.

Which are the countries whose citizens are more keen on acquiring a second citizenship?

There are many. Just as there are many reasons why one should consider becoming a citizen of more than just one country – and consequently hold more than one passport – there are many countries whose citizens are keen on acquiring a second citizenship.

Due to political circumstances, for example, citizens of many countries – including many Asian countries – find it difficult to travel abroad and are confronted with strict visa requirements each time they want to enter a foreign country. In other cases, nationals whose passports usually allow them easy access to most countries may find it impossible to obtain visas due to temporary travel restrictions during trade sanctions and other geopolitical disturbances, or due to their nationality they may be overly exposed to terrorist threats or other hostility.

But if someone can easily secure a visa in most cases, why would he need a second citizenship?

Although a required visa may well be granted to you, it is always a very tiresome procedure, during which your passport on which you get the visa is not available. This waiting period can cause



Those who seek second citizenship include people who value privacy while travelling

delay for your travels.

If for some reason such as civil war or political instability, you cannot get or renew a passport in your home country, the right to another passport can be very useful, even critical. Even if you simply lose your passport, it may take some time until you can get a replacement, and having another passport may be crucial.

Why do people seek second citizenship?

They may be citizens whose nationality makes them a target for kidnappers, terrorists, politically motivated violence and so on. They may come from countries where the political or economic situation does not allow widespread visa-free travel for its passport holders. Then you have people who travel very often to various countries where they need visas and

who may need to travel at short notice while they are waiting for such visas to be issued on their current passports.

You also have citizens of countries with an uncertain future who want to ensure that they continue to be able to travel or have the option to relocate after possible political changes, and persons who value privacy when travelling, doing business or for banking and investment.

There are citizens who wish to have the option to renounce their citizenship after acquiring their citizenship of choice, for example to legally avoid otherwise compulsory military service requirements, taxation, or similar issues. Other cases are persons rendered stateless by birth or through accidents of history, citizens of countries with high direct taxes who acquire alternative residence and citizenship as part of a strategy to reduce their tax

liability, and anyone who wishes to have the possibility to retire in a safe haven at any time in the future.

Do only wealthy people seek second citizenship?

No, but of course wealthy people have more options. Not only can they immigrate more easily to a desired new country of residence and subsequently become a citizen there, they can also acquire citizenship based on an investment and without prior residence requirements.

What are the various benefits of having a second citizenship to the person seeking the new passport?

As a citizen and passport holder of two or more countries, one can travel or move a residence more easily, particularly in an emergency. The

right to travel, to enter or leave a country, at some point, may become crucial. This flexibility may even save your life.

Perhaps you are a citizen of a well-regarded, major country, and you think you will never need an alternative citizenship and passport. You may not foresee any problems now. Your current passport may permit travel almost anywhere without the need for a visa.

But an alternative passport is similar to an insurance policy. It’s something you should have in reserve well before an emergency arises. Depending on your country’s international reputation, your present passport may restrict your movements. Or it may make you a target for terrorists, expose you to difficulties when you travel or attempt to conduct business internationally. Using a different, second passport can restore your

personal security, ease of travel, and allow hassle-free border crossings.

Austria, the Commonwealth of Dominica and St. Kitts & Nevis have established citizenship-by-investment programmes – no residence required. How beneficial are these schemes to those countries?

Most countries welcome with open arms foreign persons willing to create employment through business investment in their country. These talented investors can bring with them valuable know-how, capital and experience.

Broadly, there are two types of programmes. Established nations such as Canada, Belgium, Ireland, Spain, and Switzerland, as well as many developing countries, have incentive programmes aimed at attracting foreign investors interested in moving there. These governments offer special conditions allowing fast-track immigration, grants, subsidies, or substantial tax breaks, and often citizenship after a few years of residence.

However there are currently only three countries which offer legal and clearly defined citizenship-by-investment programmes which require no residence period. These are Austria, the Commonwealth of Dominica and St. Kitts & Nevis.

In St. Kitts & Nevis the Government utilises this programme to attract investors of good character to make a substantial contribution to the development of the country. These investors are then given the opportunity to apply for citizenship within the strict guidelines of the law and the relevant regulations.

If I am interested in citizenship-by-investment, do I have to live in Austria, Dominica or St. Kitts & Nevis?

No. You are not required to do so, although you have the right to and are free to do so at any time. The Governments of these countries are of course keen to encourage new citizens

to become involved further in their economy and offer substantial incentives to make this attractive.

Have countries tightened their immigration and residency laws after 9/11?

Yes, and in some cases, such as the US, quite considerably. We now live, more than ever, in a world of guarded international borders, strict entry controls, and complex immigration laws. In this environment it has become more difficult to move across borders, more difficult to immigrate, and more difficult to acquire second citizenship. Nevertheless, there are still possibilities worth exploring.

What's your comment on concerns over possible misuse of second citizenship status for wrongful, illegal purposes such as terrorism?

Several known terrorists have had Belgium, German, Canadian or British citizenship, and in several cases these were second citizenships, not acquired at birth. However, you will not find any terrorist with, say, a St. Kitts & Nevis or Austrian passport. These are unattractive for terrorists and criminals, who are more interested in citizenship documents and passports obtained either quietly by being resident many years in countries where it is easy to become a citizen, or by illegal means, through unofficial channels.

Indeed, in many if not most countries

it is possible to make (illegal) direct payments to corrupt government officials in return for passports and citizenship documents. A terrorist would be interested in hiding his identity by obtaining, say, a false French passport, on which he can travel visa-free to the US and other target countries.

There are countries that do not allow second (dual) citizenship for its citizens. Is there an on-going dialogue with these countries to permit such status?

While some countries officially discourage dual or multiple nationalities for their citizens, most now accept this as a fact of international life. Still, when it comes to dual citizenship, the world is divided. There are countries whose citizenship regulations allow their own citizens the acquisition of another citizenship without losing their current citizenship. On the other hand, there are countries that do not allow the acquisition of another citizenship, that is, the acquisition of another citizenship will lead to the loss of the present citizenship.

Dual nationality is the inevitable result of the increased mobility of large numbers of people and of the growth of an integrated world economy. In recent years, many countries have amended citizenship laws to recognize these new realities, and I expect more and more countries to follow this trend and allow dual citizenship. ■



JONATHAN K CHALMERS is an associate with Henley & Partners and a senior member of the firm's International Residence and Citizenship Practice Group. He graduated from the University of Liverpool in 1982 with a degree in French, following which he joined the UK Immigration and Nationality Directorate where he was responsible for immigration policy on work permits and business investors. In 1989 he joined David Garrick Ltd, a consultancy that provided services to overseas business investors and companies. In 1993 he worked with accountancy group Alliot Pearson International's tax division. From 1995 until 2004 he ran his own consulting company. He has authored many articles on citizenship-by-investment programmes and is active in both private client and government consulting work in that area.