Citizenship by investment: Benefits for South Africans

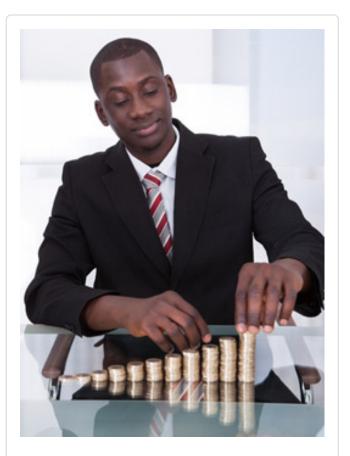
24 Nov 2015

While citizenship of a country is usually contingent on being born within the region, being a descendant of a citizen of the specific country, marriage to a citizen or naturalisation, a number of countries have opened up citizenship opportunities based on investment.

This is according to James Bowling, CEO of Monarch&Co, a company which offers residency and citizenship programmes, investment properties and capital investment opportunities in hand-picked territories around the world.

Bowling says citizenship by investment, which is also commonly known as economic citizenship, is when an individual, and often their immediate families, are granted citizenship status in a country based on making a qualifying investment in that country.

Citizenship by investment opportunities have become highly sought-after by Africa's elite. While around 1.3% of Africans are understood to be holding more than one citizenship currently, it is becoming a growing trend as the benefits and possibility of acquiring a second passport through investment are becoming more widely known by high-net-worth (HNW) and ultra-high-net-worth (UHNW) individuals.



Bowling says for Africans, citizenship by investment opportunities are opening up a world of possibilities.

"From our experience in the African territories, with the increasing opportunities and wealth generation coming out of the continent, there is a growing HNW and UHNW market building. In order to showcase this market's full potential on the world stage, freedom to move and travel unencumbered has become a prerequisite," says Bowling.

"We expect that the top 2% to 5% of most economically active citizens of African countries would be suitable candidates and able to qualify for citizenship by investment opportunities."

Bowling says the typical investor usually has HNW status, meaning that they have considerable disposable income or capital to meet the necessary investment requirements. Most programmes do not allow investors to finance their investment, meaning investors have to have

the total investment capital readily available for transfer at short notice.

HNW individuals tend to fall within the middle to mature age category, 35 to 65 years. They generally have between two and six children, and sometimes parents, whom they include on their applications.

"We frequently find parents making application for these programmes to empower and open a world of opportunity for their children," he says.

"To date, the bulk of our applications from Africa have come from South Africa, Nigeria, Ghana, Cote d'Ivoire and Egypt. Globally, Africa is a growing market, however, our more mature markets continue to be UAE, Russia and China."

So just what makes citizenship by investment opportunities so attractive for Africans? Bowling says first off, they are pretty exclusive as not all countries offer citizenship by investment opportunities, and often those that do limit the number of opportunities available.

"We take great care in selecting our country-specific preferred qualifying investments. The investments and countries we choose to work with are specifically selected based on our knowledge that they offer the best value for money in terms of travel, work and lifestyle benefits," says Bowling.

"While there might be other countries that offer similar programmes, we believe that the citizenship programmes we offer have the most compelling qualifying criteria and end solutions for our investors."

He says by obtaining citizenship in another country, the investor becomes a citizen of that country, which entitles them to carry that country's passport.

"Depending on the countries involved, the client will keep their existing citizenship and passport, and the new passport becomes their second passport. This is why these programmes are often referred to as second passport programmes."

There are many other advantages to investing in a citizenship by investment programme, including no restrictions on the time allowed to visit or leave the country, no annual commitments in order to maintain citizenship status, improved travel benefits, work and business opportunities, as well as a complete lifestyle hedge.

So which destinations do Africans prefer when it comes to citizenship by investment opportunities?

Bowling says while the preferred choice of destination depends on the investor's requirements and primary goals of attaining a second passport, the Caribbean countries such as Antigua and Barbuda, Grenada and St Kitts and Nevis offer wonderful travel benefits with short processing times.

Further to this, Grenada has an agreement with the USA, which allows Grenadian citizens to live and work in the USA with renewal periods every two years, provided they invest in a qualifying USA-based enterprise.

"For Africans wishing to enter the USA, this has proven a popular choice of programme," says Bowling.

He says the USA and UK have always been popular investment choices for Africans seeking business opportunities in these more stable and mature economies, while the European countries of Portugal, Malta and Cyprus appeal to those seeking lifestyle benefits such as healthcare, education and ease of travel.

"Pricing and personal preferences also play a vital role in the selection of a suitable country programme."

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