

EXODUS MIGRATION

Advising Clients In The Post-Trump World: Global Citizenship and Residence By Investment

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The world changed on November 5. We are all reevaluating immigration strategies for our institutional and individual clients to determine how best to maximize their visa and green card prospects in a new and different environment. That will clearly be a challenge.

While we focus on US immigration strategies for our clients, we either have already - - or will soon - - receive inquiries from a new group of clients - - US citizens seeking citizenship, residence and/or safe haven in other countries based on investment or descent. From our experiences, these US citizens are motivated by a variety of factors - - concerns with the political direction of our country; concerns with antisemitism or other religious concerns; concerns with reproductive rights; concerns with treatment of people of certain races or nationalities; gender-based concerns; and concerns with political reprisals.

In addition to new US citizen clients, many existing foreign national clients will face changed circumstances under the more restrictive immigration policies of the Trump Administration. Those foreign national clients who can afford it will ask about - - or need to be advised about if they are not already aware - - citizenship or residence by investment in another country. As examples, these foreign national clients might include foreign nationals with no legal status who fear removal; those with a legal status that might be revoked (for example DACA and TPS, among others); those who fear that a pending application will take too long to process (which was a familiar experience with the previous Trump administration); those who are unable to bring family members to reunite because of restrictive immigration policies; and those who feel unwelcome as immigrants in an anti-immigrant environment. These are all potential candidates for counseling on citizenship or residence by investment in another country.

Obtaining residence or citizenship in third countries through investment is not cheap and may come with obligations. The best option is different for each client based on their priorities, obligations imposed by third countries, and their budgets. Individual considerations vary but in our experience often include investment amount, access to quality medical care, language, religious tolerance, income and estate tax implications,

physical presence requirements, political stability, visa free travel to other countries, proximity to the U.S. or other countries, ease of obtaining citizenship, need to renew residence, cost of renewal of residence and the inclusion of possible age-out dependents, inclusion of certain dependents (spouse, siblings, parents, sons and daughters etc.), processing times, and climate-related issues.

For the purposes of this article, we will divide clients into two groups – those seeking citizenship or residence in the EU and those seeking citizenship or residence in the Caribbean or Latin America. This article will not discuss other citizenship by investment options, such as Turkey and Vanuatu, among others, nor will it discuss obtaining citizenship or residence in another country by descent (through parents or grandparents).

Clients seeking citizenship by investment in the European Union, with all its attendant residence and work benefits in all European countries, are usually limited to one option - - Malta. Malta has a very popular citizenship by investment program, but the financial commitment far exceeds the requirements of most other citizenship by investment programs, including the Caribbean. Specifically, the minimum investment to obtain Maltese citizenship for a single person is approximately €600,000 plus the purchase of property with a minimum value of €700,000 or the rental of a residential property for a minimum annual lease payment of €16,000. Additional family members can be added for additional investments.

It is important to note that, while Malta is the only country in the European Union that provides citizenship expeditiously, many countries in the EU had citizenship by investment programs that have been discontinued, and Malta's program is being challenged by the European Commission. It is also important to note that countries regularly change required investment amount and permitted investment vehicles.

Residence options are available with a much smaller investment, but do not include the right to live and work in EU countries other than the country of residence. Three EU residence options are generally of most interest to our clients.

Malta residence (not citizenship) requires a contribution to the government of €30,000 plus the purchase of property with a minimum value of €375,000 or a contribution to the government of €60,000 with a rental of a residential property with a minimum annual lease cost of €14,000. There are also minimum asset holding requirements. Residents of Malta have the right to work in Malta.

The golden visa residence option in Portugal is the most popular but has recently required much larger investments and entailed much longer processing times. The minimum investment is now €500,000 in an investment fund or a non recoverable donation of €250,000.

There is a requirement to live in Portugal at least 7 days per year. The processing time can exceed 30 months. The benefits include the ability to work in Portugal. Portuguese citizenship may be available after 5 years but requires some knowledge of Portuguese language.

The golden visa residence option in Greece requires a real estate investment of at least €250,000. It features a much quicker processing time (often approximately 4 months, but does not include the right to work in Greece.

For those seeking citizenship by investment in a Caribbean country, there are several options all with a minimum investment amount of \$200,000 to \$250,000. The options include Antigua and Barbuda, Grenada, Dominica, St. Lucia and St. Kitts. Each of these programs has advantages and disadvantages, issues and strengths, that we discuss with our clients.

For those clients for whom a second or third passport is not critical, but the ability to reside as needed in another country in the Caribbean or Latin America is sufficient, there are several residences by investment options with wildly varying investment requirements. These include Panama, Costa Rica, Bahamas, Turks and Caicos and the Cayman Islands. St. Maarten also has a residence option only available to US citizens.

It is unfortunate, but consideration of citizenship or residence options in countries other than the U.S. is a higher priority after November 5 for many U.S. citizen and foreign national clients and potential clients. The good news is that, for many clients, there are a number of different options that may be available to them.