Many small island nations offer golden passports that grant citizenship in exchange for donations or investments of $100,000 to $1 million. Many industrial countries including the US offer investors golden visas in exchange for investments that allow residence and can lead naturalization.

About 25 countries have golden passport or citizenship-by-investment (CBI) programs, and 50 have golden visa or residence-by-investment (RBI) programs. CBI programs are proliferating as more micro-states with populations of less than a million realize that they can generate significant revenues without raising taxes. RBI programs in some countries have become controversial, charged with raising house prices in countries from Canada to Portugal and fueling fraud.

The first countries to create golden passport programs were ex-British colonies such as St Kitts (45,000) and Nevis (10,000) in the Caribbean, where the sale of citizenship accounts for up to half of government revenues. The main customers are Chinese citizens, followed by citizens of Russia, the ex-USSR, and middle eastern countries from Afghanistan to Syria.

The world has about 200 sovereign nations that issue passports; governments in these countries determine who can obtain and renew a passport. Many countries in the Americas follow jus soli (soil), granting citizenship to all persons born in the country, but most follow jus sanguinis (blood or descent), transferring citizenship from one or both parents to the child. Some countries require children who are born to legal non-citizens inside their borders to choose a citizenship at age 18 or 21.

Some countries require immigrants who naturalize to give up their original citizenship, while others allow immigrants to remain citizens of their original country (dual citizenship). Some countries do not allow their citizens to give up their citizenship, so that dual nationals who...
return may be detained in the event of a conflict with their new country of citizenship, as with Iranian-Americans detained when they visit Iran.

Birthright citizenship and citizenship by descent have been joined by a third avenue, jus doni (gift), or buying citizenship. British common law often specifies what is prohibited rather than the more common civil law approach of specifying what is permitted, allowing the creation of gray-area off-shore financial businesses in British territories and ex-colonies. Some of the ex-colonies sought ways to raise revenue without raising taxes, spawning golden passport programs.

The first golden passport program was Tonga’s Protected Persons Passports program that sold passports to foreigners in the 1980s who leased land on uninhabited islands from the Tongan king for at least $35,000. Tonga sold over 8,000 passports, including to ex-Filipino President Ferdinand and Imelda Marcos and prominent Hong Kong residents such as the head of Hong Kong Stock Exchange. In response to complaints from other governments, the Tongan program was revised several times and halted in 1996 after the Tongan king collected $20 million.

Caribbean

St Kitts and Nevis has the longest-running program, and calls itself a “pioneer in creating innovative solutions to add value to the lives and experiences of individuals of high net worth.” During the Revolutionary War in the 1770s, St Kitts was the richest British colony on a per capita basis due to sugar exports, but tourism was slow to develop as sugar mills closed in the 1970s, prompting a quest for a new source of revenue after independence in 1983.

Eight of 22 countries and territories in the eastern Caribbean have less than a million residents and are former British colonies, and five sell passports. St Kitts launched a golden passport program in 1984, offering citizenship for a real estate investment of at least $75,000 when total government revenue was $6 million. The first applicants often described themselves as investors whose source of funds was investments and completed three-page forms. Dozens of foreigners bought passports for themselves and their families each year in the 1990s, generating 10 to 20 percent of government revenue.

St Kitts closed its last sugar mill in 2005, and Labor PM Denzil Douglas (1995-2015) turned to the Swiss Passport King, Christian Kälin and Henley and Partners, to revamp and market its program. Henley persuaded St Kitts to develop a transparent program that included due diligence so that foreigners who bought St Kitts passports could continue to enjoy visa-free travel to the UK and Europe. St Kitts raised the minimum real estate investment to at least $400,000 or a $250,000 donation for ex-sugar workers, and Henley marketed the St Kitts program in Hong Kong and other places where residents sought second passports. Henley received 10 percent of each buyer’s payment.

By 2009, St Kitts passport holders could enter Canada, the Schengen countries, the UK, and US without visas, and the sale of hundreds of passports each year generated 30 to 50 percent of St Kitts government
revenue. Henley earned $250 million from the St Kitts program.

Neighboring countries launched their own golden passport programs after the 2008-09 recession with the help of Henley and other international brokers. Today five eastern Caribbean countries, Antigua (365 beaches), Dominica (nature island), Grenada (spice island), St Kitts (Mother Colony or the oldest British colony in the Caribbean), and St Lucia (honeymoon capital) offer passports to single applicants for $100,000 to $150,000 and to a family of four for $100,000 to $200,000. Holders of these countries’ passports can usually enter the EU and UK without visas, but not Canada and the US.

Most foreigners who buy Caribbean passports do not move to their new country, but some use their new passports as stepping stones to other countries. For example, Grenada has an E-2 investor treaty agreement with the US that allows foreigners who make “significant investments” in the US to live in the US to manage their investment. Some Chinese buy Grenada passports, invest $250,000 in the US as Grenada citizens, and obtain E-2 visas that allow them to live and work in the US indefinitely.

The five ex-British Caribbean countries have issued almost 100,000 passports since 2010, in some cases selling almost as many passports as they have residents. Many countries do not disclose how many and who bought passports. Dominica, which has 70,000 residents, reported selling almost 8,000 passports between 2009 and 2018, but Dominica budget documents suggest that 20,000 were sold and an EU investigation found that 35,000 were sold.

Dominica became independent in 1978 and began selling pass-
ports for a donation of $100,000 or a $200,000 investment in real estate in the 1980s. Passport sales increased after 2015, when the EU permitted Dominica passport holders to enter without visas for up to 90 days, making Dominica passports attractive to Iranian, Chinese and Russian citizens. Dominica received over $1 billion from passport sales since 2009, accounting for half of the government’s revenue.

Golden passport programs often change in response to destination country pressures. St Kitts sold diplomatic passports to two Iranians for $1 million each in 2014. When the Iranians tried to enter Canada as St Kitts diplomats, Canada ended visa-free access for St Kitts passports, contributing to the defeat of Labor PM Denzil Douglas in 2015 elections.

New St Kitts Timothy Harris (2015-2022) of the Team Unity alliance revised the program by adding place of birth data to St Kitts passports so that destination countries would know if a person born in Iran was presenting a St Kitts passport. Most Caribbean countries now send golden passport applications to the EU, the UK, and the US for vetting and, if any of these Big 4 say no, the application is denied.

EU leaders have long been skeptical of golden passports, and are increasing pressure on Caribbean countries to curb their sale. The EU argues that “EU values are not for sale,” and has pressured several countries to suspend their programs.

Mediterranean

Golden passport programs spread to British ex-colonies in the Mediterranean in the 2000s. Cyprus, a gateway between east and west, launched a program in 2007 that required an investment of about €25 million, reduced to €10 million in 2011 plus a house costing at least €500,000, and sold passports to Russians and wealthy Middle Easterners. Failing Laki Bank was folded into the shaky Bank of Cyprus in 2013 with no compensation for deposits over €100,000, prompting the government to offer often Russian foreigners who lost more than €3 million Cyprus passports.

Under pressure from marketers, the Cyprus program was revised frequently. The required investment was lowered to €2.5 million, with discounts for foreigners who invested in particular sectors such as science and technology. Malaysian Jho Law, indicted in the US in 2018 for diverting over $4 billion from Malaysia’s state investment fund 1MDB, bought a St Kitts passport in 2011 and a Cyprus passport in 2015.

The EU raised concerns because Cypriot citizens may live and work in another EU country. Al Jazeera organized an undercover sting in 2020 that filmed two Cypriot MPs promising a Cyprus passport to a fictitious Chinese businessman with a criminal record for a €20 million investment in their real estate project, saying: “if you know the angels, you don’t need God.” The MPs were forced to resign, and the Cyprus program was suspended under EU pressure in 2020.

Malta’s Labor PM Joseph Muscat (2013-20) announced a golden passport program in 2013 with Henley the sole marketer. About 1,000 foreigners a year, plus their family members, bought Maltese passports for about $1 million each, with two-thirds going to the National Development and Social Fund to support the “advancement of education, research, innovation, social purposes, justice and the rule of law, employment initiatives, the environment, and public health” and a third invested in housing. Henley received $35,000 for each passport purchased.

The Nationalist Party opposed golden passports, and their complaints spurred an EU investigation that led to reforms, including the need for foreigners who buy Maltese passports to “live” in Malta, interpreted as being in the country from a few weeks to a few months a year. The application procedure was lengthened to allow for due diligence, and wealthy foreigners were encouraged to establish offices in Malta to take advantage of low tax rates. Malta touted its rejection rate of 20 percent, versus less than five percent in the Caribbean.

Over $1 billion flowed into Maltese real estate in a decade from selling passports. Journalist Daphne Caruana Galizia published articles suggesting that PM Muscat’s chief of staff received payment for ensur-

Turkey Offers Citizenship for a $400,000 Real Estate or $500,000 Bond Purchase
ing that a Russian family received Malta passports. Galizia was killed by a car bomb in 2017, forcing the chief of staff and several ministers to resign and leading to the arrest of businessman Yorgen Fenech in 2019 as he tried to leave Valetta in his yacht.

Malta stopped selling passports to Russians and Belarusians after the Ukrainian invasion in 2022, but continues to sell passports to Chinese and other foreigners, drawing a formal complaint from the EU to the EU Court of Justice in 2022. Malta will defend its program in this court in 2024.

Turkey launched a golden passport program in 2016 that required a $1 million investment in housing, $2 million invested in a business, or the purchase of $3 million worth of Turkish government bonds, with a Turkish passport delivered after three years. The high price and lack of visa-free access to the Big 3, the EU, UK, and US, kept the Turkish program small until 2018, when the cost was reduced to $250,000 in housing (raised to $400,000 in 2022) or a $500,000 bank deposit, business investment, or government bond purchase.

The reduced price attracted citizens of Afghanistan, Iraq, and Egypt, some whom already lived in Turkey. Some foreigners who already had purchased Caribbean passports also bought Turkish passports. Rising house prices in Istanbul in the 2020s attracted Chinese passport buyers, and Turkey is one of the few countries that continued to sell passports to Russians after the February 2022 Ukraine invasion.

Turkey represents a new type of golden passport, a “real country” offering a home, an investment, or a safety valve for wealthy citizens of countries with “bad passports.” Turks require visas to travel to the EU, but are eligible for 10-year multi-entry visas. Turks are also eligible for US E-2 visas and can obtain Turkish Businessperson Visas that permit residence in the UK for “entrepreneurial activities” for less than the L2 million required for a Tier 1 British investor visa. Turkey sold about 2,000 passports a month in 2023 and accounted for half of the total 50,000 passports sold worldwide.

There are other ways to obtain passports. Countries from Germany to Ireland to Romania issue passports to foreigners who can prove that their grandparents were German, Irish, or Romanian. Finding one’s roots can be difficult, and some Russians and others reportedly buy ancestry documents to obtain Romanian passports.

South Pacific

Tonga may have been first Pacific Island country to sell passports, but Vanuatu has the largest program. Vanuatu launched its program in the mid-1990s, but few passports were sold until the private Vanuatu Registry Service in 2014-15 marketed Vanuatu passports to Hong Kong residents in exchange for buying $300,000 to $400,000 worth of bonds. The VRS kept the bond money, forcing Vanuatu to repay the maturing bonds. Despite this experience, VRS once again offered Vanuatu passports for a $130,000 donation to help pay for the cleanup after Cyclone Pam in March 2015.

Vanuatu relaunched its program in 2017. Multiple agents recruited clients and sold passports generating $100 million or 40 percent of Vanuatu government revenue in 2020. Vanuatu soon developed a reputation for offering passports to shady foreigners, including the Indian-born Gupta brothers accused of looting $7 billion from South Africa under the President Jacob Zuma (2009-18); they used their Vanuatu passports to move to Dubai and avoid extradition to South Africa.

Over half of the foreigners who bought Vanuatu passports in 2020 were Chinese citizens, followed by citizens of Nigeria, Russia, Lebanon, Iran, Libya, Syria and Afghanistan. Vanuatu developed a reputation for selling last-chance passports, including to South Africans Ameer and Raees Cajee, founders of Africrypt and accused of defrauding investors of $3.6 billion, Alaa Ibrahim, a former Syrian governor whose wife is a first cousin of Pres-
ident Bashar al-Assad, and Turkish banker Hayyam Garipoglu, who was accused of embezzling money from Sumerbank.

Citing a lack of due diligence in vetting applicants, the low rejection rate, and the fact that many of the foreigners who bought Vanuatu passports are or were citizens of countries that require visas to enter the EU, visa-free entry for Vanuatu passports issued after 2015 was suspended in 2022.

**Perspective**

Many small Caribbean, Mediterranean, and South Pacific countries sell passports that allow visa-free access to their former colonial masters and other desirable places. Most people who buy second or third passports never intend to live in their new country of citizenship. Instead, people buy additional passports to facilitate international travel and residence or to ensure that they have an escape hatch in case of trouble at home. Some second passports are bought in order to live in a third country, such as a South African who buys a Vanuatu passport to live in the UAE.

There are many rankings of the best and worst passports, often defined by how many countries that holders of a particular passport may enter without a visa. Marketers of second passports such as Henley publish rankings of the best second passports based on criteria such as cost, the speed with which passports are issued, the number and type of countries that can be entered without visas, processing time, and the stability of the program, since a buyer of a second passport may have little recourse if the issuing country refuses to renew it.

The most important factors for most people who buy citizenship is access to the Big 4: Canada, EU Schengen countries, the UK, and the US and whether the issuing country keeps the names of new golden passport holders confidential. Some buyers favor countries that do not require visiting or living in the country that sells the passport, allows both nuclear and extended family members to receive passports at little additional cost, and issues biometric passports. Golden passport and golden visa programs are likely to expand because the perquisites of sovereignty offer governments a seemingly easy way to raise far more revenue than issuing stamps that are bought by collectors. As more countries sell passports and visas, there are likely to be more controversies and more oversight of the programs by desirable destination countries. Small island states are vulnerable to the desires and decisions of the EU, UK, and US, but larger states such as Turkey may resist pressure on what they consider a national prerogative to decide who can obtain a Turkish passport.
The number one worry of migration agents who help clients to buy second passports is that the EU will end visa-free entry for more CBI passports. Alternatively, the EU may require place of birth on passports and limit visa-free entry only to those born in the CBI country, not those who bought a passport if they are from a country that requires a visa to enter the EU.

Appendix: Selected Golden Passport Programs

<table>
<thead>
<tr>
<th>Country and year of introduction</th>
<th>Residence required</th>
<th>Visa-free destinations</th>
<th>Minimum contribution</th>
<th>Processing time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antigua &amp; Barbuda (2012)</td>
<td>5 days in 5 years. Requirement to take Oath of Allegiance.</td>
<td>151</td>
<td>USD 100 000</td>
<td>3-4 months</td>
</tr>
<tr>
<td>Austria (1985)</td>
<td>None. Presence at citizenship ceremony required.</td>
<td>187</td>
<td>Variable</td>
<td>2-3 years</td>
</tr>
<tr>
<td>Cambodia (1996)</td>
<td>6 or 12 months</td>
<td>94</td>
<td>USD 250 000</td>
<td>3-6 months</td>
</tr>
<tr>
<td>Dominica (1993)</td>
<td>None</td>
<td>143</td>
<td>USD 100 000</td>
<td>3 months</td>
</tr>
<tr>
<td>Grenada (2013)</td>
<td>None</td>
<td>144</td>
<td>USD 150 000</td>
<td>4 months</td>
</tr>
<tr>
<td>Jordan (2018)</td>
<td>None</td>
<td>51</td>
<td>USD 750 000</td>
<td>3 months</td>
</tr>
<tr>
<td>Malta (2014)</td>
<td>36 months (12 by exception)</td>
<td>184</td>
<td>EURO 738 000</td>
<td>14–38 months</td>
</tr>
<tr>
<td>Montenegro (2019)</td>
<td>None</td>
<td>124</td>
<td>EURO 350 000</td>
<td>3 months</td>
</tr>
<tr>
<td>St Kitts &amp; Nevis (1984)</td>
<td>None</td>
<td>156</td>
<td>USD 195 000</td>
<td>3-4 months (46-60 days for Accelerated Applications)</td>
</tr>
<tr>
<td>St Lucia (2016)</td>
<td>None</td>
<td>146</td>
<td>USD 100 000</td>
<td>3-4 months</td>
</tr>
<tr>
<td>Turkey (2016)</td>
<td>None</td>
<td>110</td>
<td>USD 250 000</td>
<td>6-9 months</td>
</tr>
<tr>
<td>Vanuatu (2014)</td>
<td>None</td>
<td>130</td>
<td>USD 130 000</td>
<td>2-3 months</td>
</tr>
</tbody>
</table>

References


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More at: https://migration.ucdavis.edu/rmn/
Appendix (contd.): Selected Golden Passport Programs

- **1982**: Togo Citizenship by Investment Program opens
- **1984**: Saint Kitts & Nevis Citizenship by Investment Program opens
- **1985**: The Bolivian Economic Citizenship Investment Program opens
- **1987**: The Marshall Islands Program Investment Program opens
- **1988**: Irish Economic Citizenship Program opens
- **1991**: Samoa Citizenship by Investment Program opens
- **1992**: Peru Citizenship by Investment Program opens
- **1993**: Grenada Economic Citizenship Program opens
- **1996**: Cambodia Citizenship by Investment Program opens
- **1997**: Tonga Citizenship by Investment Program opens
- **1998**: The Marshall Islands Citizenship Program closes
- **2001**: Grenada Economic Citizenship Program closes
- **2002**: Belize Economic Citizenship Program closes
- **2003**: Nevis Citizenship by Investment Program opens
- **2006**: Vanuatu Citizenship by Investment Program opens
- **2011**: Cypriot Citizenship by Investment Program opens
- **2013**: Grenada reopens under a new name
- **2014**: Malta's Individual Investor Program opens
- **2016**: Malta's Individual Investor Program closes
- **2018**: Jordanian Citizenship by Investment Program opens
- **2019**: Moldova creates its Citizenship by Investment Program
- **2020**: Egypt Citizenship by Investment Program opens
- **2021**: North Macedonia Citizenship by Investment Program opens
- **2022**: North Macedonia Citizenship by Investment Program closes