
How and Where to Buy a Second Passport



Jeff D. Opdyke

A Quarterly Wealth Advisory report

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With Jeff D. Opdyke and Christian Kaelin

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Introduction

The world is a demonstrably more unstable place than it was a generation ago. As we've seen recently with the COVID pandemic and the ongoing war in Ukraine, unexpected events are frequently emerging to reshape the political and economic landscape.

Western nations, including the U.S., are not immune to this. In fact, they're often dead center.

In an unstable world, you want a Plan B...a way to travel to a safe haven where you can keep your family and your wealth secure. And for that you need a second passport or an overseas residence visa.

There are many ways to get a second passport. Among the most common is through family lineage. If a recent ancestor hailed from a country such as Ireland, Poland, Italy, or Hungary, you could be entitled to a second passport right now.

However, not everyone is blessed with the right family connections. In that case, you still have a few other options open to you. Undoubtedly the fastest are "Golden Visas" or citizenship-by-investment programs. These programs allow you to get a residence visa or a second passport from another country simply by investing a certain sum there.

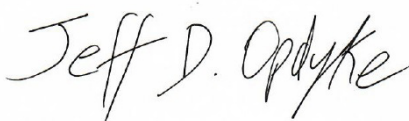
Amid the current global instability, Golden Visas and citizenship-by-investment programs are soaring in popularity among Americans. So, for this edition of your *Quarterly Wealth Advisory*, I interviewed Dr. Christian Kaelin, who essentially pioneered this field.

Chris is the chairman of Henley & Partners, a renowned consulting firm that specializes in residence and citizenship by investment. The company has 35 offices around the world and publishes the *Henley Passport Index*, an authoritative ranking of the world's passports.

As chairman of Henley, Chris is considered one of the world's foremost experts in citizenship by investment. He holds master's and Ph.D. degrees in law from the University of Zurich, is a sought-after speaker, and advises governments and international organizations on citizenship and residence programs.

In the transcript of our interview below, he explains how these programs work and how much they cost, and shares his thoughts on some of the best citizenship-by-investment options out there today.

Sincerely,



Jeff D. Opdyke

About the Author: Jeff D. Opdyke spent 17 years writing about personal finance and investing for *The Wall Street Journal* and seven years as Executive Editor for *The Sovereign Society*, where he traveled the world to meet with politicians, economists, taxi drivers, and bellhops to better understand local economies, local consumers, and the politics that drive investments, currencies, and gold. He has written 10 books on personal finance, global investing, and the rise of the consumer class outside the West. Jeff grew up in South Louisiana but has lived in Dallas, Los Angeles, Seattle, and New York, among other places. He currently lives in Prague. Jeff is the editor of *Field Notes* and *Global Intelligence Letter* and is a regular contributor to *International Living* magazine.

How and Where to Buy a Second Passport

Jeff:

Welcome Chris. Let's start with the idea that more Americans are beginning to pursue second passports now than ever before. I'm curious if you are actually seeing that. Does that play out in your world?

Chris:

Yeah, absolutely. Actually, for quite some time the largest single client group is Americans.

Jeff:

And why is that? What is it about this concept of second passports that is drawing in Americans?

Chris:

I think contrary to popular belief or what you hear sometimes, it's not really about tax. There are very few Americans who move overseas and then give up U.S. citizenship. You would need to relinquish U.S. citizenship [to escape your U.S. tax obligations], and that's a very expensive exercise.

The main thing for Americans is that they're seeking opportunities outside the United States. It's easier to travel sometimes on a non-U.S. passport. It's safer. Anywhere from Turkey to Indonesia nowadays you could quite literally be a target if you hold an American passport. We've seen this many times.

The biggest example was probably in the Mumbai terrorist attacks where Americans and Brits were singled out and shot on the spot. And if you had another passport, it could literally save your life. That idea has been around for a long time.

And then more recently, this political divide in the United States has also led to people not being comfortable. Democrats don't want to be in America anymore if Trump is back. People on the right are not happy with the current government. So, people are thinking, let me have a foothold in Australia, New Zealand, Europe, or Asia.

And to do that, you need at least a residence permit to have a good base. It's very interesting. More recently, for instance, in Portugal—which has a very popular, very good investment migration program—the largest single group of people applying are U.S. citizens. So, you at least can get a residence permit somewhere else, where you can get a second home and maybe spend some time in Europe. But even better is, of course, if you have more secure status in the form of citizenship.

Jeff:

Right. And to be clear, I want to set out that this is totally legal...U.S. citizens can hold multiple passports. And I'm curious the degree to which you get phone calls, or Henley gets phone calls, from people who might assume that it is somehow shady or illegal and they want to make sure they're not doing something that's going to get them in trouble with the government. This is perfectly legal for Americans.

Chris:

Yes, absolutely. As an American, you can hold as many citizenships as you want.

Jeff:

When you were going through the list of reasons why Americans are looking for a second passport and/or citizenship, you mentioned opportunities. Can you jump into that a little bit? What do you mean by opportunities? I'm assuming you mean financial.

Chris:

Yes and no. It's also a matter of lifestyle.

If you look at the United States, it's a great country. You can live and work and do business and spend all your life in the U.S. You don't even need to leave because it's so diverse, it's so large, it's one of the wealthiest countries in the world and there are so many things to do in America.

But if you look beyond its borders and you want to spend time, let's say, in Europe, you need to understand that as an American, you are limited with the time you can spend in each country, usually to three months.

Let's say you want to spend six months a year in some country, you need to think, do I have the possibility of getting a residence permit. Because you need a permit.

So, it's primarily a matter of your life and lifestyle, but it's also business opportunities. If you want to do things elsewhere, you definitely need a permit in most parts of the world.

To give you one example: For one American family, we organized Malta citizenship, which is EU citizenship, because they spend a lot of time in Italy and in the Netherlands.

They had factories in both countries, so they basically had businesses in two European countries. And if one of the sons was involved in the business, they needed a work permit in Italy and a work permit in the Netherlands. They can get them, but it's a pain.

The whole family now has EU citizenship and because of this, they can live and work and do business and pursue opportunities in the whole of the EU.

Jeff:

When you step back from business opportunities, are there other financial benefits of a second passport? Those may not be for somebody who wants to open a business, but who just wants some other kinds of financial access that they may not have in the U.S. Is that a rationale for people? And what are those benefits, if they exist?

Chris:

I would say not anymore because of the increased reporting requirements that have come into play. They have basically eliminated that possibility, which, by the way, was rarely ever really legally possible.

Twenty years ago, you could—and some Americans did—open a bank account under another citizenship and therefore they had access to certain investments that they could not get otherwise because there are certain restrictions for American citizens, which is really a pain. I mean, nowadays, as an American, you can hardly open a bank account overseas. It's quite difficult. But with a residence permit and an American passport, that normally works, though you still have a lot of reporting requirements.

Now, if you want to access financial instruments elsewhere, it doesn't really change as long as you remain a U.S. citizen because now banks are required and clever enough to ask, "Are you also an American person?"

So, if you have an additional citizenship in the Caribbean or in Malta or somewhere else, you're still American. You still have all the reporting requirements, and particularly the restrictions, that are imposed. So, there are many financial instruments and so on that you cannot buy as an American.

Jeff:

I'm active in the crypto world and I have access to types of crypto investment opportunities just because of my Czech residency, that I don't have when I have to show my American passport. Is that more widespread? Or are you saying that banks are increasingly saying, "We don't care if you have a Maltese passport. Are you American also?" And if so, that's the rule we care about.

Chris:

Yeah, exactly. That's exactly how it is.

I would say in the crypto space, it's probably at least a little less regulated so far. So, this may still work with a Czech residency or another citizenship. But generally, other than areas like this, that's a thing of the past because everywhere you need to declare that you're American.

And in any event, even if you did this in the past, it was a gray area. Because theoretically, you would still have probably some reporting requirements back in America, but the bank or the financial institution abroad would not have that. Now, they do have reporting requirements [to the U.S. government].

But I'm not a regulatory expert. I'm just saying from experience over the last 20 years, this has definitely come to a point where worldwide, more or less, as long as you're American, you will be required to report these things. The local financial institution has no other choice. They're all bound by these reporting requirements. That's, of course, to a large extent driven by tax. But here, I'm not talking about tax. I'm talking about regulatory restrictions that mean many financial investments cannot be sold to Americans.

So, that's definitely something to keep in mind. Of course, in areas like crypto and maybe a couple of other things, it might not yet be the case. But I'm not an expert in that. What we do is help people obtain legal residence status and citizenship status in foreign countries. That's what we focus on.

Jeff:

For years, I've been writing about second passports and citizenship by investment, and it's always been part of a plan B narrative...the idea that if your world falls apart locally, you have this get-out-of-jail-free card, basically.

I'm curious about the speed with which that process has changed, if at all. And I'm coming at this from the perspective of...if you are trying to build a plan B and you see that you want or need a second passport or residency somewhere, how soon do you need to start that process?

Is it before you actually decide to make a move? Or is it something that you can start in the middle of the fire basically, after you realize, "Hey, I got to get out now." Are the processes any shorter, or should you start this process long before you need to get out?

Chris:

I think you and I probably met more than a decade ago. You probably remember when I spoke at some of the conferences that you guys organized. Twenty years ago, I was already saying that

basically everybody should have a second passport as a matter of principle, if you have some kind of international outlook.

Of course, let's say if you live in America, as I said before, it's a great country. You can live in one state and do your holidays in another two states and do some business across the country, and you don't even need to leave the United States. But if you have some kind of international scope, then you need to have more than one [citizenship] status.

It's like insurance. And with insurance, you cannot buy the insurance when the house is on fire. It's too late. So, you always need to do this in advance. And what we've seen actually with these COVID-related restrictions, and now this war in Europe with Ukraine and Russia, it's really opened everyone's eyes.

When I spoke about this idea 20 years ago, people opened their eyes and listened, but said, "Why would I need that?" Very often, I had to explain, it's because of this and this and this.

Now you're seeing Russia. Those Russians who had second passports or residence in place, they could leave Russia and be safe. Same for Ukrainians or others. If war really breaks out, then you need this ideally already in place before that happens. Otherwise it gets very difficult, very tricky, and very expensive.

And we have seen, particularly since the COVID pandemic, that it doesn't have to be a war.

There were so many restrictions. You had people who had a house in Spain and could not visit their house because every border was closed. You could only visit your second home if you had status there...if you had a residence permit in Spain. Otherwise you could not go there.

Visa-free travel was nonexistent. So it was more than anything else, this COVID pandemic, and the restrictions around that, which opened people's eyes to this. Everyone needs to get this insurance.

Jeff:

What we're talking about at a broad level is the "Golden Visa" programs, which are the easier ways to get residency in some particular country. How many countries offer these Golden Visa programs now?

Chris:

You currently have about 100 countries worldwide. So, about half the world's countries offer some form of investment-related immigration program.

Many are, however, not very relevant or very active. I'll give you an example. In the Netherlands there's such a program, but almost nobody applies there. It's complicated, expensive, the tax situation is not interesting, and there are a couple of other issues. So, there's hardly anyone applying.

Then you have others that are very active, like say, Portugal, Malta, or Greece. These are very attractive, very efficient. There are good tax situations and other conditions. So, these are really relevant and interesting.

The Golden Visa in Thailand—the Thai Elite program that we've also helped to expand in Thailand for many years—is very attractive. It allows you to stay in Thailand and use Thailand as a hub if you're in Asia.

So with these programs, there are roughly about maybe 35, 40 worldwide that are really relevant. It's a large number.

Jeff:

And do all these Golden Visa programs immediately come with a second passport? Or is it one of those things where you have to spend five years there?

Chris:

No, most programs lead to residency status. You have your legal residency in that country. Then some of them, like in Portugal, for example, after several years there, you could qualify and then choose to become a citizen.

Then, on the other hand, there are citizenship-by-investment programs where you can become a citizen straight away. Like in the Caribbean with these programs we pioneered in St. Kitts and Nevis, Antigua, and Grenada, which is very interesting now. And Malta in Europe, where you invest and you directly become a citizen, and you obtain a second passport.

Jeff:

What is the cost of doing that at the low end...the cost of actually buying a second passport through the citizenship programs? And what is that cost at the high end?

Chris:

The range for getting a second passport legally is from somewhere around \$100,000 to \$150,000 in the Caribbean, in Antigua, all the way up to just about over \$1 million in Malta. And it can go even further.

There are some very exclusive possibilities, like in Austria, where if you invest about \$10 million, you can also become Austrian, which is probably the best option worldwide—like the Rolls Royce option. But it's also ten times more expensive than Malta. But then it's exclusive, of course, but there are not too many people who apply in Austria.

Jeff:

I don't know if "good" is the right word, but it's the word I'll use. How good are the Caribbean programs? Are they respected passports, or would somebody rather have an EU passport like Portugal?

Chris:

Well, as I said, Portugal is a residence program. You need to wait until you can become Portuguese. You need to know the language. It's six years. It takes time.

If you just compare citizenship-by-investment programs where you directly invest and obtain citizenship within six months or a year or three months, then I'd say, actually the Caribbean programs are very good. Because they are very good value for money. They're not very expensive.

As I said, for a total of \$150,000 with all fees and costs included, you can become a citizen of Antigua, for instance. And it's very interesting. It gives you status in the whole of the Caribbean. It's the whole of CARICOM. That's [an intergovernmental organization] similar to the EU. So, you can actually live in Jamaica if you want, or in Barbados. It's quite interesting.

And you have another passport to travel on, which is a very good passport to travel on. The visa-free access on an Antiguan or Grenadian passport is very good. It's not as good as an American or European passport, but it is pretty good worldwide. If you look at the [*Henley Passport Index*](#), they are very high up.

For 15 years or so, we've published this index together with IATA [the International Air Transport Association] where we rank all the passports in the world according to their visa-free access. And you can see the Caribbean is actually pretty high. So, if you look at what you get, the Caribbean is actually really good value.

Of course, if you can, if you have the budget, you'd rather get an EU passport in Malta, for instance, or in Austria. It's just a lot more expensive.

Versus Antigua, let's say Malta is roughly eight times more expensive, or even ten times more. And then again, Austria is ten times more expensive [than Malta], so it depends on the budget you have.

But even then, we have many clients who get European residence or citizenship. And then many, I think more than half, also get Caribbean citizenship. Because if you do that...if you spend, say, \$1 million in Malta and do all the paperwork and all the hassle to do that...you might as well, in parallel, do Antigua or Grenada. And then for \$1.1 million, roughly, you have two passports.

Because in the EU now, with the situation with Ukraine, we've seen it's a large block. It's like America. So, it's exposed. It's engaged in wars.

It's good to be an EU citizen. But now, since this war or even epidemic started, we have seen an unprecedented number of European citizens who are looking for citizenship and residency outside Europe. It's completely understandable. They're looking to North America, Australia, New Zealand, Dubai, and the Caribbean.

Jeff:

And to be clear, when you get a passport in Antigua or anywhere in the world really, you don't necessarily have to live there. You can live in the U.S. or whatever you want to do. But you just have this as kind of your get-out-of-jail-free card, right?

Chris:

Exactly, you don't need to go there at all. Actually, Antigua, I think, is the only Caribbean country that requires you to actually physically visit, even for a few days. But even with that you can do it over five years. Most of them, in the Caribbean, you don't even need to go there. Malta, you need to visit, but indeed, you don't need to live there at all.

You just have the status, and you don't need to go there, but you can if you want. So, it's that plan B. And also you have an additional passport to travel on, like for personal security, as I said before. If you check in to a hotel abroad, if you're on a passenger list somewhere, it's probably better not to do that as an American citizen or British citizen or certain other citizenships. You know, there are a couple of passports in the world that expose you as an individual because of your country's engagements in wars and sanctions and this and that.

Jeff:

What is the fastest passport option in the world? I mean, if somebody wanted to get one quickly, what's the quickest they'd be able to do? And where is that?

Chris:

That's probably one of the Caribbean programs. It depends on the year. Sometimes Grenada is faster, sometimes St. Kitts is faster. It depends.

But roughly within three to four months, you could complete the process if you are ready. Often the delay actually comes from the client because we need your original birth certificate. Maybe you don't have one right now. You need to obtain it. So, it also depends on the applicant...on how fast they can get documents together.

Jeff:

These programs are generally priced in local currency, right? And I'm getting at the idea that we're seeing a very strong dollar right now, and does that make this an opportune moment to look at these programs because the dollar is so strong, therefore the cost is actually lower in dollar terms?

Chris:

Certainly, with the non-U.S. dollar-denominated programs.

The Caribbean programs are priced in U.S. dollars. So they're the same. But if you look at Europe, I mean Malta basically just became 10% cheaper. Because with the dollar versus the euro over the past couple of months, the euro has moved down about 10%.

For residents in England, it's even more stark. The pound is near a record low versus the dollar, so if you want to get a resident permit in Britain, for instance, that's good. Certainly, the price of the pound and euro versus the dollar is indeed an opportunity from that point of view.

Jeff:

I really appreciate you taking the time to chat with me today.

And for our viewers, I just want you to know that the experts at Henley & Partners are teaming up with me and the other experts from *International Living* for a special new event to show you how to pursue a second passport. You're going to be hearing more from me about that in *Field Notes* and *International Living* very soon.

And with that, I'll say thanks so much for joining me and thank you a lot Chris, I really appreciate it.