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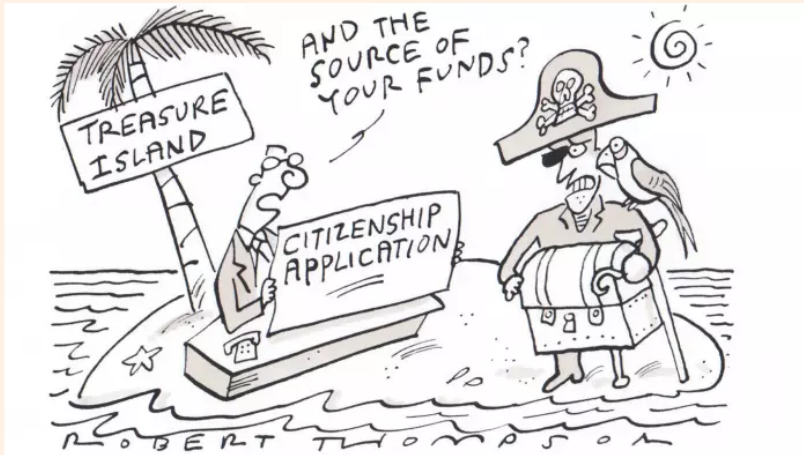
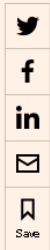


Prime property predictions for 2018: part II

Your Questions **Global Property** + Add to myFT

Which foreign countries will grant me citizenship if I invest?

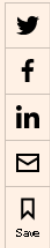
I am looking to buy property and have been considering locations



Treasure Island cartoon

Lucy Warwick-Ching 5 HOURS AGO

16



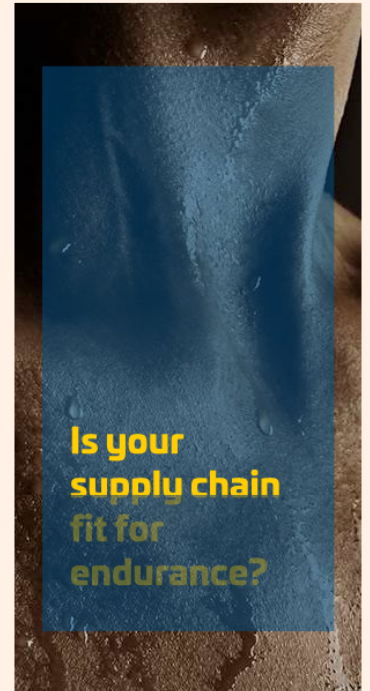
My husband and I are looking to buy property abroad and have been considering a number of locations. However, I have heard that there are certain jurisdictions where if you invest in property you can get residency or citizenship. This is a very attractive prospect given that this would give us the chance to live abroad later in life. Is this correct and if so, what are our options?

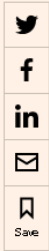
It sounds like a great idea, but it will depend on how much you are able to spend and, in some cases, your available wealth.

Thomas Wheeler, managing director at IR Global, the professional services network, says most countries place significant value on their citizenship and will not give it away in exchange for a simple investment. However, there are a number of [smaller jurisdictions](#) who do offer full citizenship to investors.

The islands of St Lucia and Antigua and Barbuda in the Caribbean currently offer citizenship in exchange for an investment of \$300,000 and \$400,000 respectively (£217,000 and £290,000) in an approved real estate project. The property must be held for five years. However, due to government processing and due diligence fees of \$100,500 (£73,000) per couple in St Lucia and \$65,600 (£48,000) per couple in Antigua and Barbuda, this is not cheap. Both territories recognise dual citizenship.

Closer to home, the citizenship programmes of Malta and Cyprus are attractive options. The cost is eye-watering, but it may be worth it — particularly if you are interested in remaining an EU citizen post-Brexit and passing that on to future generations by descent.





Taking Malta's citizenship-by-investment programme as an example. It requires an investment in the Maltese National Development and Social Fund of €650,000 for the main applicant and €25,000 for a spouse (£577,000 and £22,000). There will also be application and due diligence fees of €13,700 (£12,000) per couple and you will also be required to purchase a property with a minimum value of €350,000 (£311,000). The final hurdle is an investment of €150,000 (£133,000) in financial instruments approved by the Maltese government, to be held for a minimum of five years.

Permanent **residency** is a more attainable goal and for this, there are also more options. Portugal's Golden Residence Permit Program stands out as attractive for non-EU citizens. It requires a real estate investment of at least €500,000 (£444,000) or €350,000 (£311,000) in a property constructed more than 30 years ago, or located in an area of urban regeneration. The threshold does include refurbishment costs.

Recommended

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There is a minimum residency requirement of seven days in the first year of residence, and 14 days in two subsequent two-year periods. Citizenship can be applied for after six years of legal residence in Portugal.

It should be mentioned that both Cyprus and Malta also have similarly accessible residency programmes that provide the possibility of acquiring an EU residence card.

For something slightly different, you might consider Thailand's Elite Residence Program, which gives foreigners the right to live in the country for up to 20 years.

The special 20-year visa is issued by a subsidiary of the Tourism Authority of Thailand for a one off fee of \$60,000 (£43,000) per person and an annual fee of \$600 (£434). It includes complimentary privileges such as VIP assistance through immigration and passport control and unlimited short-haul airport transfers for international flights.

They also throw in 24 hospitality packages per year (for example, golf breaks or spa treatments) and one annual health check at a local private hospital. There are no restrictions on property investment.

Reaz Jafri, chief executive of Withers Global Advisors, adds that regardless of which of the above options you choose, you can expect a rigorous background check and be prepared to provide evidence detailing the source of funds used to fund the real estate purchase. All programmes allow you to purchase property in your name or in the name of a company or trust.

In addition to the above, many jurisdictions allow individuals to acquire resident status if they purchase real estate. These include the above EU options as well as well-known destinations such as the Bahamas, Cayman Islands and many more.

With no shortage of options, the question becomes what is important to you: culture and lifestyle, low crime rate, the strength of a country's financial and legal institutions, political stability, access to quality healthcare or proximity to international capitals. In addition to these factors, an overriding concern of clients is a country's tax regime, especially as it relates to one's country of

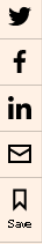
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nationality. Some jurisdictions have no tax on income, capital gains or inheritance, while others are relatively high tax jurisdictions.

If you find your country of choice is a high-tax jurisdiction, fret not. Good wealth planning strategies can often be utilised to lessen, if not eliminate, the tax burden. For this reason, it is critical that your adviser knows not just the various citizenship or residency programmes on offer but understands the tax implications of settling in a particular country, as well as various tax treaties that may exist.



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