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WHY DOES TURKEY FAIL AS A NEW ENTRANT ON ECONOMIC CITIZENSHIP MARKET?

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ABSTRACT

Economic citizenship is the fast track to a legal second passport in a short period by investment or donation. Recently, many countries including Turkey have launched their own citizenship by investment program or economic citizenship. This paper explains the failure of Turkish economic citizenship schema and weighs the cost-benefit analysis of economic citizenship in three aspects: visa free, marginal contribution and investment threshold aspects. There are 3 reasons of failures to attract foreign investors to economic citizenship: First, the return on investment is very low since one often needs to apply for the EU visa and 6 big English-speaking countries. Second, under the marginal contribution analysis, we eliminated the redundancy among passports and we calculated the additional benefits of a passport. Schengen visa free access passport is the main condition of this citizenship market. Third, under the investment analysis, Turkey began with 3 million USD deposit requests or 1 million USD real estate purchase above European (U.K., Cyprus, Portugal and Bulgaria) countries' threshold.

Key Words: Economic Citizenship, Turkey, Visa Free Countries, Investment, Schengen,
Jel Codes: F22-D31

NEDEN TÜRKİYE EKONOMİK VATANDAŞLIK PİYASASINDA YENİ GİREN OLARAK BAŞARISIZ OLDU?

ÖZ

Ekonomik vatandaşlık, yatırım veya bağış yoluyla kısa bir sürede ikinci pasaport edinmenin hızlı yoludur. Son zamanlarda, Türkiye dahil birçok ülke kendi vatandaşlık yatırım programlarını başlattı. Bu makale Türk ekonomik vatandaşlık şemasının başarısızlığı açıklanmakta ve ekonomik vatandaşlığın maliyet-fayda analizini üç açıdan ele almaktadır: vizesiz giriş, marjinal katkı ve yatırım eşiği açısından. Yabancı yatırımcıları ekonomik vatandaşlığa çekmekte 3 başarısızlık sebebi vardır: Birincisi, vizesiz girişte, AB vizesi ve 6 büyük İngilizce konuşulan ülke için sık sık başvuru olan bir pasaportun yatırım getirisi çok düşüktür. İkincisi, marjinal katkı analizinde, pasaportlar arasındaki fazlalığı ortadan kaldırılarak, bir pasaportun ek faydalarını hesaplandı. Schengen vizesiz erişim pasaportu bu vatandaşlık pazarının ana koşulu. Üçüncüsü, yatırım analizi kapsamında Türkiye'nin 3 milyon ABD Doları tutarında mevduat talebi veya 1 milyon ABD Doları tutarında gayrimenkul alımı ile başlaması Avrupa ülkelerinin (İngiltere, Kıbrıs, Portekiz ve Bulgaristan) eşiğinden yüksektir.

Anahtar Kelimeler: Ekonomik Vatandaşlık, Türkiye, Vize Serbestiyesi, Yatırım, Şengen
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INTRODUCTION: CITIZENSHIP AS A COMMODITY

This article examines economic citizenship market and the reason of failure of Turkish entrance (Xin, et.al., 2015; Henderson, 2018). Many countries offer some kind of citizenship scheme or investment residency and most are being created with similar programs proliferating across Caribbean and Europe (Houlder, 2016). Foreigners can buy legal status to live, work and invest in several countries. Perhaps more importantly, they buy access to visa-free travel to countries around the world through citizenship. In this article we search and compare the cost-benefit analysis of Turkey which recently enters the economic citizenship market.

Citizenship by investment or economic citizenship is a well-defined process whereby wealthy individuals can obtain a second citizenship quickly in exchange for an investment or donation. Those who are interested in investing and obtaining economic citizenship have a pressing need to have another passport for tax, business, or travel reasons (Brinker and Dalson, 2008). Having dual citizenship (or even multiple citizenships) gives you the freedom to travel and invest; that having one citizenship alone cannot grant (Caribbean and Land Property, 2018).

Citizenship is somewhat of a commodity. The price of citizenship determines the supply and demand. Therefore, the economic citizenship price rises and falls since it is created in 1984 by St. Kitts and Nevis (St. Kitts and Nevis Citizenship Program, 2018).

The number of second citizenship programs has recently surged (Xin, et.al., 2015). There are approximately 5000 citizenships sold each year. China is the predominant source of applicants, making up about 70%, but citizens like Russia, Turkey, Vietnam, India and Brazil have been sources of growth in the past few years (csglobalpartners, 2018; Houlder, 2016).

Hence, the important attitude distinction between economic citizenship (i.e. Caribbean program) and naturalization (i.e. the U.S.) is that most of economic citizenship clients do not visit and live in the country they invest in citizenship. Many people pursue a second passport as an insurance policy (Beck, 2017). We may call economic citizenship as a citizenship insurance.

The economic literature on citizenship is linked to citizenship through naturalization for a higher return. Education, culture, occupation, demographic characteristics and income opportunities are the main dominant factors for acquiring citizenship (Kelley and McAllister, 1982; Portes and Mozo, 1985; Bevelander (2000), Yang, 1994, Barkan and Khokhlov, 1980, Portes and Curtis, 1987, Mazzolari, 2009; Pivnenko and DeVoretz (2004). However, the demand and supply of the economic citizenship market is determined by travel, business, financial and tax opportunities. The current economic literature on naturalization considers passport as a free public good (Pivnenko and DeVoretz, 2004). However, the differences among citizenship opportunities and passport qualities in the world in terms of visa free access, taxation policy and business opportunities lead an economic value of acquisition of the economic citizenship (Arton Capital, 2018).

Historically, the Caribbean countries like Belize, Dominica, Grenada, St. Kitts & Nevis, and St. Vincent and the Grenadines offered legal and clearly defined citizenship programs. Citizenship by investment programs are expanded in the Caribbean since they need capital and don't have many other resources that they can use to attract foreign direct investment. Selling citizenship is very lucrative business. For example, in 2015, St. Kitts and Nevis gave the budget surplus of about \$222 million. The Surplus will be derived from the revenue \$733 million and expenditure of \$511 million. Non-Tax Revenue is the main contributor to the favorable result. Fees from the Citizenship by Investment Program collected 307 million USD revenue for 2015 by 42.3 per cent of the total government budget.

1. REASONS FOR OBTAINING ECONOMIC CITIZENSHIP

1.1. Freedom of personality

Privacy is a concern. People are afraid of the government investigation on what they are doing. Applicants are guaranteed that their countries of origin will not be told of their intent to gain citizenship status. This allows the holders of economic citizenship to enjoy the benefits of dual

citizenship without their parent countries being informed. This provides privacy in a peaceful country and away from original countries' jurisdiction (<https://www.goccp.com>). For instance, one of the professional agencies in second citizenship, Goccp's slogan is "Security and Privacy are Your Rights!"

Travel restriction is a constraint. Most economic citizenship passport is an excellent second passport for visa free travel to over 100+ countries in EU Schengen countries including Switzerland, UK and Ireland (Henderson, 2017). Especially for applicants from developing countries who will go the extra mile to gain the freedom of personality since citizens from those parts of the world face visa restrictions. If someone holds Russian, Ukrainian, or Chinese passports, one will have to apply for visa every time and visit consulates of developed countries. Many documents about financial solvency and stable earnings should be proven (Arton Capital, 2017; Henley Global, 2018).

1.2. Freedom Business/Financial/Tax

Citizens are maximizing economic opportunities such as, lowering tax, opening bank account, purchasing real estate and human capital acquisition in different countries (St. Kitts and Nevis Investment Program, 2018).

A controversial benefit is that individuals who obtain dual citizenship can enjoy tax-free status. The Caribbean countries that provide economic citizenships tend to highlight the fact that successful applicants do not pay taxes on foreign income, capital gains, wealth, gift and inheritance taxes in their new home country. There are three sources of taxation: citizenship, residential and territorial bases (Henderson, 2018). Citizens from advanced countries also represent an important share of applicants to some citizenship programs, generally motivated by lowering tax regimes. Except the U.S., all countries are in the residential and territorial categories. As taxation becomes an increasingly larger burden on individual income, wealth and taxpayers, they may opt for a second home to reduce the tax bill (Henley Global, 2018).

2. ECONOMIC ANALYSIS OF ECONOMIC CITIZENSHIP

2.1. Data

There are many economic citizenship/residency programs around the world that provide citizenship in exchange for substantial financial transfers. Table 1 and 2 in annex represent the data structure regarding the cost for family of four and single investors. There are varieties of schemes for each country. We focus on donation or cash related choices (i.e. purchasing bonds) rather than real estate investment and starting a business in Caribbean. Since there are many obstacles and additional (hidden) fees involved in real estate investment and a business due to lack of market. In addition, forced real estate purchase drive the tiny Caribbean real estate market up and leads to paying higher prices.

At donation, the full cost is apparent. We calculate the opportunity cost at zero-coupon government bond investment to compare donation costs. We use 5% as an opportunity cost of an investment.

In the real estate investment, the cost is calculated as follows: (opportunity cost of investment + tax) *(years of holding requirement). We subtract the cost from the return on investment since there is a yield on real estate (i.e., rent). For instance, under the Greek scheme, 250,000 EURO property acquisition is not sufficient, and one applicant should wait for 6 years and hence the opportunity cost is (250,000 Euro) *(5%+1%)*(6 years). 1% is added due to property tax. Certainly, one may acquire a rent revenue from real estate. In this case we consider 3% as a return in Europe (Statista, 2018). Due to these real estate programs, real estate prices have been augmented and therefore neglected a capital gain (Henderson, 2017).

Government fees can consist of a big portion and sometimes as high as the investment amount. These fees can be taken in different names and be added under one name as government fees.

2.2. Government Fees

Countries may charge high fees to process one's residency and citizenship application. Therefore, those fees should be taken account of. Sometimes, governments manipulate the cost of application by reducing the investment/donation cost while raising the government fees. For instance, Antigua and Barbuda reduced the application fee from 200,000 to 100,000 USD for a family of four but raises the government fees from 7500 USD to 33,500 USD (Henderson, 2017). Moreover, governments exacerbate the fees under different names such as, value added tax on properties, processing, background checking, and certificate issues fees.

2.3. Professional Services Fee

Governments delegate the economic citizenship program to "approved agencies". At the professional service, the wealthier the country, the more the lawyers and agencies will charge. We use 10,000 USD as a flat rate.

2.4. Visa Free Index

The most important factor in the value of a passport is the travel opportunities. We derive the list of visa free countries (VFC) from the passport index ranking (Passportindex.com, 2018). There are 199 countries ranked based on visa free access and the highest power is Singapore and South Korea with 163 VFC and the lowest is Afghanistan with 27 VFC.

3. OVER EXPENSIVE: TURKEY

3.1. Visa Free Access Point of View

Turkey started an unrealistic 186,000 USD opportunity cost (3 million USD investment). Bulgarian passport opportunity costs 150,000 USD (632,000 USD -512,000 EURO- of zero-coupon government bond) rather than 3M USD of Turkish requirement, seem more attractive due to Schengen visa free access and EU citizenship.

Indeed, Turkey has especially many advantages due to size, location, connectivity, educated labor force, secular state, rich history and upper middle-income range. Turkey is the biggest country in economic citizenship market. As a non-EU country, Caribbean countries and Vanuatu are very small, less known and micro states (i.e., they have limited embassies around the world). The Caribbean islands are so small and difficult to differentiate and therefore it is called the Caribbean passport (no income tax for foreign sources, no wealth tax and visa free travel 130+ countries) (Caribbean and Land Property, 2018). Istanbul airport is the world's 15th largest for passenger traffic in the world and with the world's 4th largest flight network. Turkish Airlines flies to 197 international destinations in 104 countries. (<https://www.world-airport-codes.com/world-top-30-airports.html>).

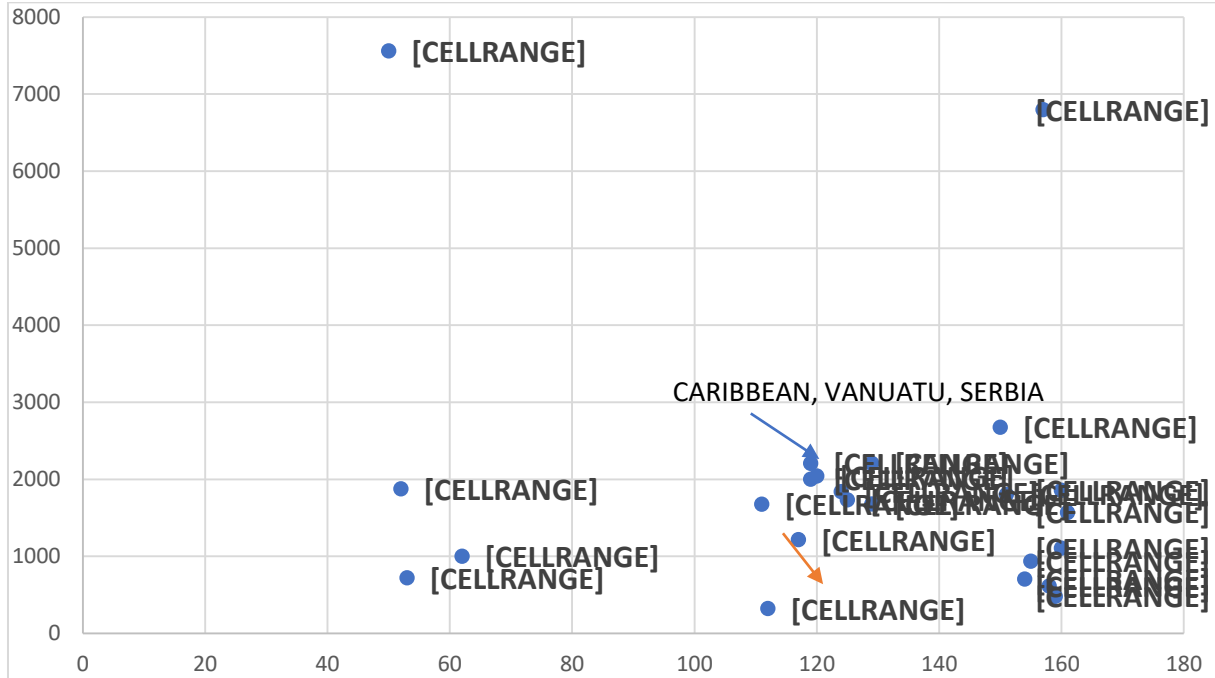
Turkey might be the major player in the citizenship market. The initial opportunity cost was 186,000 USD with 111 visa free countries (1676 USD per VFC), remains expensive (left to Caribbean countries, graph 1). If Turkey adds Schengen area, it becomes a decent passport, 1357 USD per VFC with 137 countries. Additionally, Turkey can easily add on non-Schengen countries in and outside Europe with bi-lateral agreements. Otherwise, the total opportunity cost of Turkish passport should be slightly higher than Armenian one around 60,000 USD rather than 186,000USD. So, Turkey should reduce the interest-bearing deposit requirement from 3 million USD to around 500,000 USD (324 USD per VFC) (One sixth) (appendix table 1). Similarly, in Turkish previous citizenship scheme, one may obtain citizenship by investing 1 million USD (1847 USD per VFC in the real estate. This lowers 250,000 USD (495 USD) for a competitive price.

Admittedly, the main demand comes from high net worth individual. They may not need a work permit in EU countries and probably they can establish a business without being EU citizenship. This is why Schengen visa free access passport is the main condition of this citizenship market rather than EU membership. The EU has boosted the sale of citizenships by offering Caribbean countries visa-free travel in Europe, starting from 2009 (Houlder, 2016).

Similarly, Jordan not as much as Turkey, is a large country and through the Schengen visa free

access can reduce its cost to 4973 USD with 76 countries (current 50 VFC and 26 Schengen countries in addition) (table 1, 2). Jordan needs to improve bilateral agreements that can easily add more countries and may reduce its fees to around 2000 USD. Otherwise, the current value of Jordanian passport is as much as the Armenian one, 50.000 USD. Certainly, Armenia can improve the strength of its passport by adding the Schengen area.

Graph 1. Cost per VFC and Visa Free Countries



Abbreviation of letters: D: Dominica, A: Antigua, S:Serbia K: St.Kitts, G: Grenada, V: Vanuatu, H: Hungary

Table 3. Illustration of the Graph 1

Cost per VFC / Number Visa Free Countries	Small Coverage	Large Coverage
More Expensive	Pointless (Jordan)	Luxurious (Malta)
Less Expensive	Uncompetitive (Turkey)	Sweet spot Antigua, Portugal

At table 3, we analyze the interpretation of the graph 1. We may categorize into 4 parts regarding the cost per VFC (vertical scale) and the number of visa free countries (horizontal scale). The upper left corner indicates the expensive and small coverage passports such as Jordan. It is pointless to sell the citizenship at this region. The lower left corner is uncompetitive due to small coverage of visa free countries. One many find a similar cost with larger benefits such as Antigua and Barbuda over Turkey. Regarding the large coverage, the upper right corner (luxurious) is very expensive, and it is possible to find a similar match in the lower right corner (sweet spot) such as Portugal over Malta. Therefore, it is necessary to be at the lower right corner to be competitive in the selling citizenship market.

3.2. Marginal Analysis

Another way of analysis is to consider the marginal cost of investment in economic citizenship which means that how much we improve through passport acquisition and what the cost is for additional benefits. There are many duplications of visa among passport for visa free access.

Table 4. Marginal Analysis- Visa Improvement

	Current # countries	Marginal improvement #	Countries added to Kuwait passport	Cost per country for Koweiti
Kuwait	97			
Turkey Marginal developing countries	112	12 (97+12: 109)	Antigua Barbuda, Argentina, Barbados, Brazil, India, Jamaica, Kazakhstan, Moldova, Namibia, Russia, Uruguay, Vietnam	Old Schema 186,000 /12 = 15,500 USD New Schema 36,000/12= 3000 USD
Antigua and Barbuda (a representative country in Caribbean)	133	57	All Europe, Latin America, South East Asia	155,000 / 57= 2719 USD
U.K. (a representative developed country)	165	72 (97+72= 169)	All Europe and big English countries – USA, Canada, Australia, New Zealand and Ireland).	273,000 /72= 3791 USD

One of the main markets for Turkey is Gulf countries. Let's assume that if an ultra high net worth individual from Kuwait assesses various passport opportunities.

If a Kuwaiti citizen applies for the Turkish passport with his family, the VFC access improves from 97 countries to 109 countries (Antigua Barbuda, Argentina, Barbados, Brazil, India, Jamaica, Kazakhstan, Moldova, Namibia, Russia, Uruguay, Vietnam). However, unless there is a special case, a Kuwaiti citizen rarely needs to visit these countries. The average cost of this marginal investment for a Turkish passport in the old schema was 15,500 USD per VFC (186,000 USD divided by 12 countries). In the new schema, the cost per VFC falls to 3000 USD.

If a Kuwaiti citizen chooses U.K. passport, one jumps from 97 VFC to 169 VFC with 72 additional countries (including all Europe, Schengen area and big English countries – USA, Canada, Australia, New Zealand and Ireland). The average cost of this marginal improvement is 297,000 USD (U.K. opportunity cost) divided by 72 countries, 3791 USD per country (a far below than the original Turkish plan 15, 500 USD and still similar to current offer, 3000 USD). Besides, a Kowaiti citizen may expect to visit these countries due to business and touristic reasons (Etias, 2018). In the visa application, there is also a risk of rejection. The rejection rate of Schengen area is around 10%. For example, between 2015-2017, the application to Schengen visa from Turkey augmented by 8% but rejection has increased by 37,2%. The total application from Turkey was 971,710 (right after Chinese and Russian citizens), and 63.122 applications are rejected (6.5%) (Etios, 2018). The total Schengen application around the world is 16,155,613 (Etias.com, 2018). The visa payment fee is non-refundable. Another risk is time inconsistency and multiple-entry permission. One may expect to receive 3 months visa, but the consulates give a 30-day visa. It might be one-entry rather than multiple entry, so, one may not leave the Schengen area for conducting business and return to the same area with the same

visa.

If a Kuwaiti citizen prefers a Caribbean country over U.K. as an economic citizenship (due to non-residency expectation), the cost of Antigua and Barbuda is 155.000 USD for a family and it adds 57 VFC, a well-covered passport around the world except for several big English-speaking country. The average cost of marginal improvement is 2719 USD, lower than Turkish rate.

What if a British citizen obtains a Caribbean passport (i.e. Antigua and Barbuda)? The passport strength improves from 161 VFC to 163 VFC (Cuba and Iran). The average cost of acquisition will be 77.500 USD per country (155,000 divided by 2 countries). It is far more expensive than average benefits that a Kowaiti citizen has. This investment does not make an economic sense for a British. This marginal analysis also shows that those citizens who already carry powerful passport do not need to have an economic citizenship for gaining access to visa free.

In the case of Turkey and Jordan, the return on investment is very low since one needs to apply for EU visa and 6 big English-speaking countries. There is a negligible return on investment for these countries. We are expecting that these countries will reduce their price drastically unless they obtain the visa free access from EU.

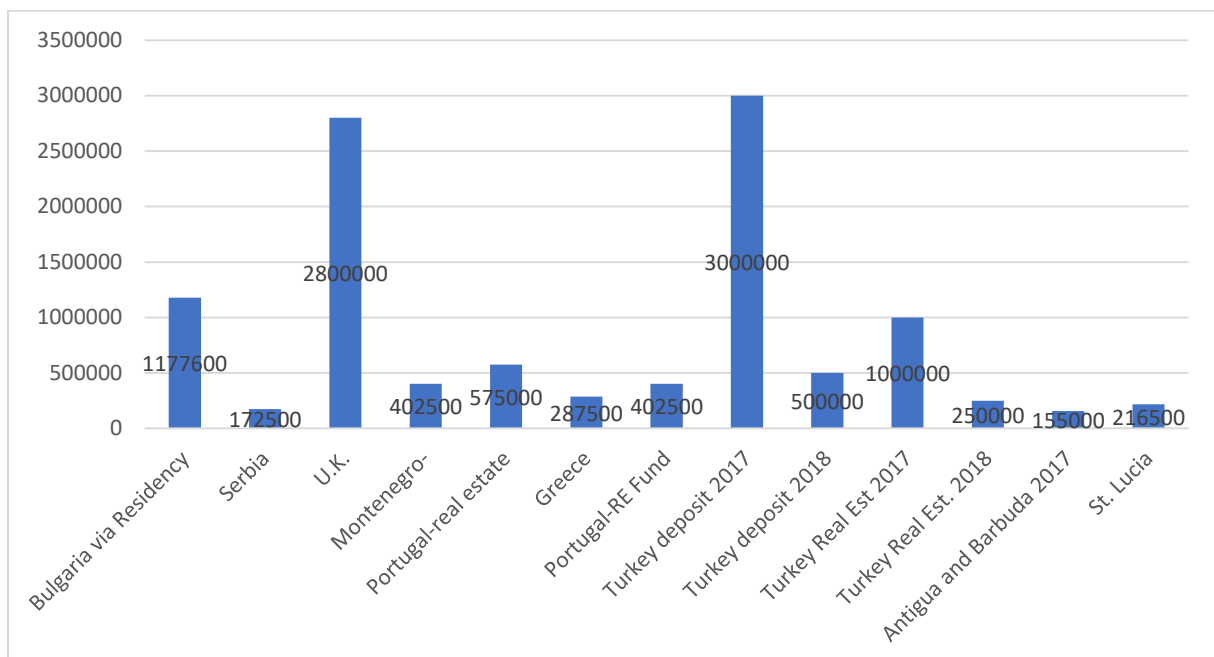
3.3. Investment Threshold Analysis

In our analysis, we consider the cost as opportunity cost. We assume that there is a financing opportunity. Indeed, in some countries banks promote this scheme (i.e. Bulgaria and Portugal). However, in some cases one may not find funding opportunities.

Graph 2 shows the initial investment requirements for each country without financing opportunities. The U.K. and Turkey deposit 2017 schema require a great deal of financial threshold above 2 million USD. Bulgaria via residency needs 1 million USD investment. In Serbia, the government asks 172,500 USD for donation. In the case of Serbia, donation is irrevocable investment however it is more affordable than other EU countries. Therefore, under the budget and financing constraints, one may opt for Serbia.

In the case of Turkey, the initial offers for deposit and real estate purchase were expensive. They lower in the new plan, but still the threshold remains higher than Portugal or St. Lucia.

Graph 2. Initial Investment Requirements



CONCLUSION: TURKEY DISADVANTAGES AND POLICY RECOMMENDATIONS

Economic citizenship is the fast track to a legal second passport in a short period by investment or donation. Applicants normally receive the passport quickly – from 6 months to a year. Economic citizenship allows you travel without visa requirement and renounce your current citizenship, if it is necessary. Economic citizenship is a different process than other citizenships acquisition since it's a sort of a business transaction. Recently, many countries have launched their own citizenship by investment program or economic citizenship. This is proof that the trend “economic citizenship” has moved beyond a few Caribbean islands and into both Europe and now the rest of the world. Economic citizenship market is institutionalized and works very well. Caribbean is an industry and almost 35% of state revenues come from citizenship sales.

The benefits of economic citizenship are numerous. Successful applicants and their families are rewarded with full citizenship which gives the right to permanently reside, work, and fully participate in their new “home” country. Especially applicants from developing countries weight more for freedom since citizens from developing countries face visa restrictions.

In the case of Turkey, there are 3 reasons of failures to attract foreign investors to economic citizenship:

First, the return on investment is very low since one often needs to apply for the Schengen and 6 big English-speaking countries. There is a negligible return on Turkish passport investment. Therefore, Turkey had to reduce its price drastically. This price reduction is not sufficient to draw foreign investors.

Second, under the marginal contribution analysis, we eliminated the redundancy among passports and we calculated the additional benefits of a passport. This shows that acquiring passport from developing countries is not meaningful for the citizens from developed countries. Especially, Turkey remains unnecessarily very expensive. Turkey is not in EU and EU accession and The Schengen visa negotiation are also frozen. However, competitor countries such as Montenegro and Serbia already/almost fixed the date to join and at least they are in Schengen zone. Portugal, Bulgaria and Spain are in EU (Henderson, 2017). Admittedly, the main demand comes from high net worth individuals. They may not need a work permit in EU countries and probably they can establish a business without being EU citizenship. This is why Schengen visa free access passport is the main condition of this citizenship market rather than EU membership. The EU has boosted the sale of citizenships by offering Caribbean countries visa-free travel in Europe, starting from 2009 (Houlder, 2016).

Third, under the investment analysis, we demonstrate the minimum investment requirements for citizenship. Countries such as, the U.K., Cyprus and Bulgaria do not ask for donation but require around 2 million USD investment. Turkey began with 3 million USD deposit and then diminishes to half million USD. The real estate obligation falls from 1 million USD to 250, 000 USD but finding and managing properties are not easy. Portugal has recently initiated the real estate fund which levies all these cumbersome (Stone, 2018). Among the real estate investment deals, the best is from Portugal since investing 350,000 EURO in real estate investment fund satisfies the citizenship requirement. Turkey also initiated real estate investment fund with 1.5 million USD! Except deposit investment, real estate and real estate funds are in Turkish lira subject to depreciation. Investing in Europe means investing in EURO. For instance, Montenegro is not in EU yet but already uses EURO. Therefore, there is no currency depreciation.

What is supposed to do? Visa-free travel, investment threshold, tax avoidance, business opportunities/connectivity, easy process and international reputation are key in demand and pricing.

In terms of investment threshold, Turkey makes the necessary adjustment but it needs a further reduction for real estate investment fund.

The key issue in visa free travel is Schengen. Turkey might be the major player in the citizenship market. Currently, the opportunity cost is 36,000 USD with 111 countries (324 USD per VFC). If Turkey adds Schengen area, it becomes a decent passport, 232 USD per VFC with 137

countries. Turkey as a big country can add many more countries through bilateral agreements.

The distribution channel and the cost-benefit optimization are crucial in the sector. For example, in Bulgaria, 296 foreigners were granted permanent residency under the program of residency via the five-year program in 2017. Of these, 70 were Russians, 38 were Chinese, 32 were Pakistanis, 27 were Egyptians, and 23 were Lebanese (FOIA, 2017). However, the St. Kitts and Nevis sell approximately 1000 citizenships every year.

If Turkey receives Schengen free access and adds some more countries through bilateral agreement, Turkey has a potential to shake the citizenship market. If Turkey only shows St. Kitts and Nevis' performance (approximately 1000 passport a year), they can attract at least 500 M USD capital inflow each year.

Caribbean countries provide professional service. Even though Bulgaria has more benefits than Caribbean countries due to EU citizenship, it shows a poor performance due to its relatively high cost and weak distribution channel. In this regard, by opening several agency and state-owned bank branches around the world, especially in the Middle East (i.e. Qatar – as a rich but weak passport, Dubai – strong connectivity worldwide and Mexico – a hub in America), Turkey can have an impact on the citizenship market.

Regarding tax issues, Turkey will become more attractive if they do not tax the foreign income resources like Hong Kong and Singapore.

Turkey partly situates south east of Europe and far to developed region of European countries. The business and transportation connectivity to western and central Europe should increase from all over the Turkey and not only limited from Istanbul.

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ANNEX

Table 3: The List of Investment for a Family of Four Based on Opportunity Cost

	Real Estate	Cash	State fee	Professional fees	Total opportunity cost	Visa	
Europe							
Malta		882.625	130.525	10.000	1.023.150	157	6517
Bulgaria Fast-track		341.504	51.750	10.000	403.254	150	2688
Bulgaria via Residency		294400	80.500	10.000	384.900	150	2566
Serbia		172500	48.000	10000	230500	119	1937
U.K.		256000	6400	10000	272400	160	1703
Cyprus	207.000		34.500	20.000	261.500	151	1732
Spain	172.500		59.800	10.000	242.300	161	1505
Montenegro-	17250		115000	10.000	142.250	117	1216
Portugal-real estate	103500		56.350	10.000	169.850	160	1062
Hungary		60375	69000	10000	139375	155	899
Latvia		64400	29900	10000	104300	154	677
Greece	60.375		23.000	10.000	93.375	158	591
Portugal-RE Fund	24150		56350	10.000	90.500	160	566

Caribbean	Real Estate	Cash/Bond/Donation	State fees	Professional fees	Total opportunity cost	Visa Free Country	Cost per VFC
Antigua and Barbuda 2017		100.000	45000	10000	155.000	129	1105
St. Kitts and Nevis 2018 (tem)		150.000	11.500	10000	171.500	129	1329
St. Kitts and Nevis 2017 (reg)		195.000	11.500	10000	216.500	129	1678
St. Lucia		190.000	16.500	10.000	216.500	125	1732
Grenada		200.000	18.000	10.000	228.000	124	1839
Antigua and Barbuda 2014		200.000	40000	10000	250.000	129	1938
Dominica		200.000	52.500	10.000	262.500	119	2206
St. Kitts and Nevis 1990		300.000	136.500	10000	446.500	129	3461

Family and Single

Others	Real Estate	Cash	State fee	Professional fees	Total opportunity cost	Visa Free Country	Cost per VFC
Panama		39000	5000	10000	54000	121	446
Canada/Quebec		225564	10000	10000	245563,9	159	1544
Cambodia	28170		5000	5000	38170	53	720
Armenia (proposed)		50000	10000	2000	62000	62	1000
USA	105000		1000	60000	166000	160	1038
Union of Comoros (closed)		85000	5000	7500	97500	52	1875
Vanuatu 2017		130.000	105.000	10.000	245.000	120	2042
Turkey deposit 2018		30000	1000	5000	36000	111	324
Turkey deposit 2017		180000	1000	5000	186000	111	1676
Turkey Real Est. 2017	90000		200000	5000	205000	111	1847
Turkey Real Est. 2018	22500		50000	5000	55000	111	495
Vanuatu 2016		260.000	105000	10.000	375.000	120	3125
Jordan		375000	1000	2000	378000	50	7560

Source: Arton Capital (2017), GOCCP (2018), Goldenvisas (2018), Goldencitizenship (2018),

Europe	
Malta	650.000 E Donation, 150.000E bond (5% foregone earning= 37500E), 80.000E rent obligation, 113500E State Fee
Serbia	150.000 E Donation, 40.000 E State Fee,
U.K.	2 million pound for 5 years return 3% and opportunity cost 5%, State Fee 5K
Cyprus	2M EURO real investment (upto 1.5M can be alternative investment) and return 3%, tax1% and opportunity cost 5%, State Fee 4000 E, 500.00E real estate kept forever
Spain	500.000 EURO real estate for 10 years return 3%, tax 1% o. Cost 5% , 10% property transfer tax
Portugal	500.000 EURO real estate for 6 years, return 3%, tax 1% o. Cost 5%, 6% property tax transfer, 0,8% stamp, 15.000E processing as State Fees

Bulgaria	1 million E for 3 years and return 1.5% and opportunity cost is 5%			
Hungary	300000 E bond, five years, return 1,5% o.cost 5%, 60000E State Fee			
Montenegro	Establishing firm and keep for 10 years, cost for running 5500 E per year (state, accounting, salary tax, social pension) with 5% discount rate			
Latvia	280,000 E for 10 years 3% return, opportunity cost 5%, 26,000 E State Fee			
Greece	250.000 EURO real estate for 7 years, return 3%, tax 1% o. Cost 5%, 5% property registration fee, 0,5% land registration, 3500 E registration, 500E application			
Caribbean				
Antigua and Barbuda	100.000 USD donation (reduced),State fee 45.000 USD			
Grenada	200.000 USD donation, state fee 18000 USD			
St.Kitts and Nevis 1990	300.000 USD donation, 136.500 state fee			
St. Kitts and Nevis 2017 (regular)	195000 USD donation, state fee 11500 USD			
St.Kitts and Nevis 2018 (Temporarily)	150.000 USD donation and 11500 State Fees			
Dominica	200.000 USD donation, state fee 75.000 USD			
St. Lucia	190.000 USD donation, state fee 12500 USD, procession fee 4000 USD			

Others	Families and singles are the same.			
Vanuatu	130.000 USD donation, 105.000 State fee			
Turkey deposit	500000 USD CD and retrurn 3,5% tax 0.5% and o.cost 5%			
Turkey Real Estate	250,000 USD, return 3%, tax 1%, 3 years must be hold			
USA	500,000 USD real estate for 10 years, return 3%, tax 1%, o.cost 5%			
Canada/Quebec	1,200,000 CAD for 3 years, return 2% o.cost 5%			
Panama	390,000 USD for 5 years return 3%, o.cost 5%			
Jordan	1,500,000 USD for 5 years return 0% o.cost 5%			
Armenia (proposed)	50,000 USD donation, 10,000USD state fee			
nion of Comoros (closed)	85,000 USD donation, 5,000 USD state fee			
Cambodia	313.000 USD investissment, real estate return 3%, tax 1%, state fee 5000 USD o.cost 5%			

1 EURO	1.23 USD							
1 Pound	1.28 USD							
1 USD	1.33 CAD							
Opportunity cost	5%							
Cost	Familly with 2 children							
State Fees	All fees taken by government under application, due diligence, processing, certification,...							

Table 4. Cost of Acquisition for Single

	Real Estate	Cash/Bond/ Donation	State fees	Professional fees	Total cost	Visa Free Country	Cost per VFC
Europe							
Malta		921.000	9.000	8.000	938.000	157	5975
U.K.		280000	5600	8000	293600	160	1835
Cyprus	216.000		24.000	15.000	255.000	151	1689
Spain	180.000		61.200	10.000	251.200	161	1560

Bulgaria Fast-Track		190464	45.000	8.000	243.464	150	1623
Bulgaria Via Residency		153600	63.000	8.000	224.600	150	1497
Serbia		120000	24.000	8000	152000	119	1277
Portugal	108000		46.800	8.000	162.800	160	1018
Hungary		63000	48000	8000	119000	155	768
Latvia		67200	30240	8000	105440	154	685
Greece	63.000		22.200	10.000	95.200	158	603

Caribbean	Real Estate	Cash/Bond/ Donation	State fees	Professional fees	Total cost	Visa Free Country	Cost per VFC
St. Lucia		100.000	9.500	8000	117.500	125	940
Dominica		100.000	10.000	8000	118.000	119	992
Antigua and Barbuda 2017		100.000	33500	8000	141.500	129	1097
St. Kitts and Nevis 2018 (tem)		150.000	7.500	8000	165.500	129	1283
St. Kitts and Nevis 2017 (reg)		150.000	7.500	10000	167.500	129	1298
Grenada		150.000	8.000	8000	166.000	124	1339
Antigua and Barbuda 2014		150.000	20000	8000	178.000	129	1380
St. Kitts and Nevis 1990		300.000	136.500	10000	446.500	129	3461