



Citizenship for Sale

James A. Paul

October 1997

In a world of burgeoning offshore funds and tax havens, the rich are constantly on the lookout for places to hide their money and park their assets. A current trend is to establish multiple citizenships -- in countries where non-residents are not subject to taxation or government controls. As *Freebooter* magazine urges its well-heeled readership: "Have a domicile in a tax haven country which meets your personal requirements and where you can enjoy yourself and relax without fear of war or revolution." *Freebooter* recommends that the safest strategy is to have citizenship in several offshore countries so that tax authorities have a harder time tracing suspicious activities.

To accommodate this new demand, citizenships are now offered for sale in many countries. This may seem astonishing, but it is just one more sign of globalization, the weakening of states, and the spread of international tax fraud. Presumably, these purchased citizenships are not subject to service in the army or mandatory jury duty, nor are the "citizens" required to have feelings of patriotism and cultural identity in their adopted country (ies).

Rules outlawing [dual or multiple citizenship](#) are being relaxed or abolished in many countries, making the process far easier than it was only a few years ago. As a sign of the times, United States citizens (and even public office-holders) have recently run for public office in second countries. In March of 1998, Jesus R. Galvis, a City Councilmember in Hackensack, New Jersey, ran for the Senate in Colombia, a nation in Latin America where he held dual citizenship. Though he lost the senatorial election, the case shows how much immigration laws have changed, since even voting in a foreign election could have led to revocation of US citizenship in decades past. In 1997, a US citizen was elected President of Lithuania.

Consider the following "Citizen Acquisition Programs" that are reported by *Freebooter*, with information current as of 1995. Note that citizenship often comes with a local driver's license as well as a passport (no driving test

required). In some cases, investments in the country are a requisite, in addition to the basic fee.

The "Rolls Royce of all citizenship/passport programs" is said to be the Republic of Ireland's, which carries not only substantial tax advantages but also "lifetime rights to live and work in any EU country" and "the finest visa-free travel document available." But Ireland is "only for the truly wealthy" because it requires a very large fee, purchase of a home and a minimum investment of a million pounds sterling.

According to an April 1998 article in the New York Times, the United States has been selling access to its citizenship, too, though slightly more indirectly. For an investment of \$500,000, foreigners have been recently able to acquire a "green card" -- a document that is a prelude to gaining formal citizenship and allows regular residence in the US. Apparently, many persons used loopholes in this law to obtain green cards with much smaller investments, leveraged by loans.

The appeal of some countries is their inexpensive citizenship, combined with negligible taxes. The list below shows some of these bargains, for those in the market for cut-rate citizenship and tax havens:

Citizenship Acquisition Price List		
Country	Citizenship Price	Notes
Argentina	\$35,000	(1)(2)
Bahamas	\$150,000	(3)(4)
Belize	from \$75,000 upward	-
Bolivia	\$29,500	(1)(2)
Ireland	\$250,000	(3)(4)(5)
Panama	\$32,500	(1)
St.Kitts/Nevis	\$14,000	(3)
Venezuela	\$35,000	(1)
Uruguay	\$38,000	(3)

Sources: The Freebooter and Offshore World

Notes:

(1) Drivers license included.

(2) Price for adults (children under 18 somewhat lower).

(3) Investment in country also required.

(4) Sum covers entire family.

(5) Applicants must also own a home in the country.

It is not clear whether the sums quoted are charged directly by the government or whether they include fees charged by intermediaries.