

A Second Passport Can Save Your Life

Christian Kälin brokers state citizenships for money. The Caribbean is particularly popular now because it's far away from Russia — and relatively low priced.

Mr. Kälin, with your company Henley & Partners, you are specialized in brokering of citizenship and residence permits. Has Vladimir Putin's war against Ukraine led to a lot of requests? Yes, such events highlight the volatility of the world we live in today, and that realization is what is driving people to enquire about options that hedge against risk and ensure their personal security. We now have a sudden influx of Europeans, including many Germans, who are increasingly interested in citizenship in the Caribbean or residency in Dubai, Thailand, Canada, or elsewhere away from the conflict.

Does this reflect the fear that the war could spread to Western Europe? If there is a conflict between Russia and NATO, it will certainly no longer be pleasant in Europe. The pandemic has shown that only having a passport is not necessarily sufficient, as many countries did only let their own nationals in.

Do you see a pattern: the closer to war, the greater the interest in a second passport? Yes, one can say that.

What is the minimum amount of money you need to have in your pocket for citizenship? For Antigua in the Caribbean, to qualify for citizenship, you would need a minimum investment of 100,000 euros. However, it costs a little more when you add dependents to your application. A second passport is not something that only the super-rich can afford. Hundreds of thousands of people from the middle class are probably also thinking about this now.

Is it mainly Russians who want to relocate with your help? Russians have historically been interested in a second citizenship, particularly for convenience — with a Russian passport, traveling is never easy, as you need a visa everywhere you go. A residence permit in Portugal, for example, entitles you to move freely within the Schengen area. Russians who have acquired this permit are certainly glad now.

And for all the other Russians, it is now too late? Yes, because of the sanctions, it is not possible for us to help certain Russian nationals. In case of doubt, it would no longer be possible to process the necessary payments. And we don't do business with sanctioned persons and companies anyway.

Do you check whether a customer is on any sanctions list or whether a person is in trouble? Absolutely, yes, we scrutinize our applicants very closely. We look at whether they are close to an authoritarian regime and where their funds come from. Our audit goes beyond what banks do.

But many oligarchs who are now on the sanctions lists already have a second or third passport. Doesn't your work mean that you are partly to blame for the fact that some disreputable entrepreneurs have been able to make themselves comfortable in the West? No, I don't see it that way. Concerning the total number of people with a second citizenship, there are only a few cases that fit your description. A prominent example is Roman Abramowitsch. He

received a Portuguese passport from the authorities in Lisbon because of his Yiddish background. So, you don't have to go through us to get a passport in the West. Since 2015, Portugal alone has issued passports to almost 60,000 people through this channel. We only manage a few hundred citizenships a year.

More than 870 Russians are on the EU sanctions list. Are there any former clients of yours on it? I don't know exactly, maybe a handful.

How high is the share of your business with Russian customers? Up to now, it was about 10 percent. But this business has now largely come to an end. Our Russian-speaking staff are now mainly involved in volunteer work for Ukrainian refugees. However, the loss of fees is far more than compensated by the increased demand from Western Europe.

Americans are your most important customer group. Why is that? Americans, who travel a lot internationally, are primarily concerned about their security. I recall the terrorist attack on the Taj Mahal Palace Hotel in Mumbai in 2008. There were deliberately Americans and British attacked. If they had entered with a Caribbean passport, probably nothing would have happened to them. This shows that a second passport can save your life.

Malta offers the most attractive immigration program in the world, according to your own surveys. At the same time, the island is notorious for corruption and nepotism. Is there a connection? There is much to criticize in Malta, but the government's citizenship program is more transparent than any other in the world. It is certainly not infiltrated by corruption. You can read on the internet where every cent of the more than one million euros in investment, required for naturalization, goes to.

However, the EU parliament and the Commission in Brussels have repeatedly criticized the sale of EU passports by small countries like Malta. The accusation is that Henley and Partners



The Swiss Christian Kälin is Chairman of Henley & Partners, a kind of citizenship consultancy for the wealthy.



are helping criminals and money launderers to open the gate to the EU. This accusation has no basis. Those who make it ignore the facts. I am not claiming that not a single criminal has come to Europe this way. But the number of undesirables is extremely small — and much less than in the whole rest of the current immigration and citizenship system. Malta naturalizes a maximum of 350 people a year. Of these applicants, every single one has been thoroughly checked. Around 700,000 citizenships are granted in the EU every year. This includes hundreds of thousands of people who receive a passport simply because they have some Italian, Romanian or Bulgarian ancestors. This is where the real true gateway lies for criminals.

Is it true that Cyprus brought in 6.3 billion euros between 2011 and 2019 with the sale of passports? That is about right.

In relation to the economic strength of Cyprus, this is a huge sum. Those who are so dependent on such businesses run the risk of ignoring their risks, don't they? It is only thanks to the citizenship program that Cyprus recovered quickly after the financial crisis, otherwise, it might have taken ten years. Especially for smaller countries that are not in a position to attract larger investments, like Germany, this is a legitimate instrument. I admit, however, that the Cypriot naturalization program was not very well set up. The government overlooked many things and left the doors open for corruption. And yet it must be said that only about 50 of the approximately 6,000 citizenships

granted subsequently turned out to be problematic.

Nevertheless, the pressure to shut down such programs is growing. When it comes to granting citizenship, the EU institutions have no legal power. Each country in Europe decides for itself whom it wants to naturalize. One might find it objectionable that Malta sells passports that not many would be interested in if the country were not a member of the EU. But to prevent this, the EU treaties would need to be changed. But that will not happen. Should Brussels decide in future, who may become German? Do you think the German government and the German parliament would agree to such a proposal?

What is the turnover of your industry in passport and residence brokering? The annual turnover in this market is around 25 to 30 billion dollars. The industry is growing very rapidly, and it will continue to grow no matter what the EU does. There will be more and more states offering naturalization and permanent visas, and there will always be people who would like them. But this market is becoming more and more regulated. We would very much welcome that.

Should the rules for granting citizenship be more consistently embedded in the laws to combat money laundering? Yes, that would be a right step, although I would like to emphasize that naturalization programs do not by itself contribute to money laundering. For this, you always need a bank. Due diligence, i.e. the precise examination of a client, is only as good as the financial system.

Why did you personally get into this business? Since I was a child, I have believed that there is something very unfair about citizenship. Nobody can choose its nationality and yet this is life-defining. If you were born in Eritrea instead of Germany, your life would have been very different. So, you were just lucky. Those who were not so lucky can take their fate into their own hands and obtain another citizenship in various ways. That's what I've always been interested in.

The interview has been conducted by Johannes Ritter.