

5 reasons to apply for citizenship-by-investment

Research conducted by Next Generation Equity (NGE) has highlighted that more South Africans are opting for citizenship-by-investment; this follows a \$2.4bn global rise in countries such as China, the Middle East and Russia. "Recent media reports highlight an increase in applications by a staggering rate of 229% since 2017. "And, the number continues to grow," says Paul Heijnsman, head of sales at NGE.



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Defined as citizenship granted to an individual or immediate family on the premise that they invest in the country, NGE notes the application age to lean heavily towards the 40+ mark, mostly with families, from across the Cape Town, Johannesburg and Durban regions, with a smattering of retirees and farmers now applying for second citizenship. "Over the past 25 years we have seen our fair share of client success stories, and they generally boil down to the same rationales."

Five reasons why citizenship-by-investment is of benefit:

- **Security** - with many countries experiencing turmoil, residents are now seeking ways for themselves and their families to find relief and safety;
- **Investment Scope** - A second citizenship provides more investment, trades and travel opportunities;

- **Travel Freedom** - For the frequent business traveller, it can be a time-consuming and expensive process to apply for a visa. Citizenship-by-Investment alleviates these challenges making business travel both a pleasure and a way to increase income;
- **Tax Relief** - A 0% corporate income tax rate and the benefit of other low rates within the country of choice, make dual or second citizenship the perfect reason;
- **Property** – Local property prices are very high with mortgage rates abroad generally stable and lower, making it easier to purchase a property.

"Applicants apply because they are frequent travellers and a second citizenship makes travelling easier. In addition to this, they are also troubled by the status of political and financial standing within their own country," says Heijnsman. The South African numbers have increased drastically over the last year because the main criteria in eligibility is financial, "if a South African has the means, for example, then they will most likely be approved."

The most popular destinations for locals are Malta, Cyprus, Portugal and Ireland due to proximity to South African shores and climate conditions. He continues to say that European residency only takes a few years to be granted an EU passport, and Cyprus is the only country in Europe that offers a fast-track EU citizenship, in less than six months.

The South African passport also dropped another two places in the recent [Passport Index](#), continuing a long slide in the global rankings since 2008. "The ranking measures the power of passports by the number of countries the holder can access either visa-free, or with a visa obtainable on arrival, and I imagine this will continue to drive citizenship demand."

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