

# CONSIDERATIONS FOR ALTERNATIVE CITIZENSHIPS

Juerg Steffen of Henley & Partners talks about the importance of residency and citizenship planning for wealthy clients.

**“Getting a second citizenship does not imply that one has to move to that country, live there, spend any time there or go there even once. But you get the citizenship”**

Juerg Steffen says while wealthy clients are familiar with tax and succession planning, they are not aware of residence and citizenship planning.

According to him, there are four main reasons for wealthy people to consider changing citizenships. These include quality of life, education, security and tax reasons.

In Europe, Steffen explains, most wealthy people move away primarily due to income and inheritance tax reasons.

Although at the moment, Asian families consider quality of life, education and security of paramount importance, it will change over the course of next few years, with tax reasons taking precedence.

## Citizenship by investment

---

He says there are several countries around the world one can consider while planning for citizenship. They offer citizenship by investment schemes.



### Juerg Steffen

Managing Partner, Singapore  
**Henley & Partners**

**E** [Juerg.steffen@henleyglobal.com](mailto:Juerg.steffen@henleyglobal.com)

[VIEW WEALTH TALK VIDEO](#)

[VIEW PROFILE](#)

This can be done through donation, which goes into a national development fund. Another option is investments which is typically in real estate, adds Steffen.

However, getting a citizenship does not imply that one has to move to that country or even live there.

He refers to a success story of Saint Kitts and Nevis, a small Caribbean island that is one of the first countries to offer the citizenship by investment scheme.

Despite a successful sugar industry in the 19th century, the country lost its glory with the growing popularity of Asia. In order to make more money, they devised the citizenship by investment scheme in 1984. A client can either donate US\$250,000 or invest US\$ 400,000 in real estate and get an immediate citizenship.

## “There are a number of reputable countries that offer citizenship by investment schemes”

Another reason for Asians to consider a second citizenship is the ease of travel and the number one country under this criteria is the United Kingdom where one can travel to 167 countries without visa.

The least preferred country under this criteria is Afghanistan where one can only travel to 28 countries without a visa, he adds.

However, one needs to pass the due diligence in order to be applicable for the citizenship by investment scheme anywhere in the world.

There are several other reasons for an individual to consider getting a second citizenship, says Steffen. Not only can one get a job easily in that country but one can also travel easily using the second passport while the first is up for renewal.

Steffen makes an interesting observation that increasingly

it is not only Asians that explore second citizenship options but also people from western countries.

He adds it is important to evaluate what the clients are looking for when they explore citizenship options. He urges advisers to start talking about residence and citizenship planning at an early stage as it is not a fast process.

## “Start now to talk to clients about citizenship and residency planning. It will not only help them but also help you advisers”

### Asking the right questions

---

Having worked in the industry for over 25 years, Steffen observes that the successful advisers are those who ask the right questions and take up difficult topics with the clients.

There are several times when clients do not want to talk about difficult topics or avoid them such as their succession planning.

But when advisers bring these up with the clients, it helps the clients very much.

Steffen adds that it is not important that the advisers should have all the answers.

However, it is important that they broach these topics with the client and then lead them to the right specialist in case they don't have the right solutions for them.