

Citizenship-by-Investment in Saint Kitts-Nevis

Jan Dash, Esq., L.E.C., TEP
Liburd and Dash, Attorneys-at-Law
www.LiburdDash.com

Citizenship. Citizenship is the connection between an individual and a sovereign territory. Certain attendant duties, rights and privileges result from such status, such as the jury duty, the right to vote and the obligation to serve in the armed forces. While the requirements vary between countries, traditionally citizenship is acquired, *jus soli*, as a result of one's birth within the borders of a nation or *jus sanguinis* through one's parents. One may also be naturalized as a citizen usually after a lengthy and uninterrupted period of residency within a country, or as a result of marriage to a citizen.

Some countries have exercised discretion to grant citizenship due to contributions to a society's culture or economy. Dutch football manager, Guus Hiddink obtained South Korean citizenship after leading the nation to a fourth place finish in the 2002 FIFA World Cup. Angelina Jolie received an honorary Cambodian citizenship in 2005 due to her humanitarian efforts. South African cricketer Herschelle Gibbs was awarded honorary citizenship in Saint Kitts-Nevis due to his record-breaking innings in the 2007 Cricket World Cup.

Until recently, countries such as Australia, the Republic of Ireland and Belize have conferred citizenship on high net worth individuals in efforts to develop their economy.¹ For years, the United States and Canada have granted rich non-nationals residency, if they are willing to make a significant financial investment in those countries. This probationary grant usually acts as a precursor to the individual acquiring

¹ www.immi.gov.au/skilled/general-skilled-migration/capital-investment-scheme-faqs.htm; Tax Havens Today: The Benefits and Pitfalls of Banking and Investing Offshore, Hoyt Barber, p. 249; http://www.governmentofbelize.gov.bz/press_release_details.php?pr_id=1824

American or Canadian citizenship, after a period of years. The Federation of Saint Kitts-Nevis (the “**Federation**”) bypasses the preliminary residency requirement by conferring citizenship upon individuals concomitant with their purchase of real property in the nation or investment in a domestic foundation. This offer of Saint Kitts-Nevis’ nationality is known as “citizenship-by-investment”.

Saint Kitts-Nevis. The Islands of Saint Kitts and Nevis are located in the Caribbean Sea, 3.2 kilometers apart, approximately 430 kilometers southeast of Puerto Rico and 875 kilometers north of Caracas, Venezuela. In the 1620s, the islands were colonized by the British, who introduced African slavery and a sugar cane based economy. The islands were a single British colony along with the island of Anguilla, but Anguilla was granted separation in 1971 and remains a British Overseas Territory to this day. In 1983, the Federation received its Independence from Britain, but remains a Member of the Commonwealth, with Queen Elizabeth II, as the ceremonial Head of State.

Under the current Constitutional arrangement between the Islands, both Nevis and the Federation are each allowed to enact their own laws. Nevis and the Federation each have their own financial services legislation, and they each have laws which encourage the establishment of banks, mutual funds, captive insurance companies, corporations and trusts. The Federal Government retains the rights to determine foreign policy for the Federation, including the right to citizenship.

The twin pillars of the Federation's economy are tourism and offshore financial services. A popular vacation destination, approximately 350,000 people flock annually to Saint Kitts and Nevis to enjoy its sun, sands and shores. The sugar cane industry which was the mainstay of the economy since 1640 was closed by the Federation's Government in 2005 after decades of losses. The Federation uses the Eastern Caribbean Dollar ("EC\$") which is shared with several other nations and territories in the region. The Eastern Caribbean Dollar has been pegged to the United States Dollar ("US\$") at a rate of EC\$2.70 to US\$1.00 since 1976. The US\$ is also widely accepted throughout the Federation. Saint Kitts-Nevis has an extremely attractive tax regime; there is no income tax, no capital gains tax, no inheritance tax and no wealth tax.

The population of the Federation is approximately 45,000, with 11,000 living on Nevis and the majority of 34,000 living on Saint Kitts. At 168.4 square kilometers, Saint Kitts is the larger of the two islands, while Nevis is 93.2 square kilometers. Persons from Nevis are known as "*Nevisians*" and persons from Saint Kitts are known as "*Kittitians*". The overwhelming majority of population is of Afro-Caribbean descent, the remainder is comprised of retirees from around the World, workers in the financial services industry and students attending the four medical schools in the Federation. English is both the official and spoken language of the Federation. The Federation has a reported literacy rate of ninety-eight percent (98%), which is the highest in the Western Hemisphere.

Saint Kitts was one of the hosts of the 2007 Cricket World Cup and is the home of the Eastern Caribbean Central Bank and the Eastern Caribbean Securities Exchange.

Nevis is the birthplace of Alexander Hamilton, a signatory to America's Declaration of Independence and the face on the US\$10.00. The Island is also the home to the Four Seasons Nevis, the first five-star hotel in the Caribbean.

Citizenship-by-Investment. The requirements of citizenship are enshrined in Chapter VIII of the Constitution.² The Federation allows dual citizenship and does not require an applicant to renounce their citizenship in another country before becoming a Saint Kitts-Nevis citizen.³ An applicant could at their option renounce their current citizenship and may not be burdened by any duties imposed by the home country, fiscal or otherwise.

The Saint Christopher and Nevis Citizenship Act, 1984, (the “**Act**”) which addresses the acquisition, deprivation and renunciation of citizenship was enacted a few months after Independence. (Saint Kitts is also known as “Saint Christopher”). The Act is the basis of the Citizenship-by-Investment program. The Act provides that, “...*a person is entitled, upon making application under this subsection to the Minister in the prescribed manner and upon payment of any fee that may be prescribed, to be registered as a citizen of Saint Christopher and Nevis...*”.⁴

Citizenship may be obtained by a contribution to the Sugar Industry Diversification Foundation, a public charity which is used to benefit now-displaced former sugar workers and fund the research in the development of other sustainable

² The Constitution of Saint Christopher and Nevis, Sections 90 - 95.

³ The Constitution of Saint Christopher and Nevis, Sections 93.

⁴ The Saint Christopher and Nevis Citizenship Act, 1984, Section 3 (5).

economies. The refundable contribution for a single applicant with no dependants is US\$200,000; with three dependants, the fee is US\$250,000; with five dependants, the fee is US\$300,000 and with six or more dependants, the fee is US\$400,000.⁵ If the application is not successful, the funds will be returned minus due diligence fees.

The more popular method by which citizenship-by investment may be acquired is through the purchase of an “approved real estate investment project” located in specified zoned areas in either of the two islands. The zones are in the southern peninsula of Saint Kitts facing Nevis and the northwest part of Nevis which faces Saint Kitts. The financial requirement under the legislation requires the purchase of an interest in real estate with a value of US\$350,000 or more. An approved investment project includes an investment in real estate, but once a parcel has been the basis for an economic citizenship application the same parcel may not support a subsequent application without approval of the Federal Cabinet. The property cannot be resold until five years after purchase, and it will not automatically qualify the new buyer for citizenship, without an accompanying application. The registration fee for citizenship is US\$35,000 for the head of the household, US\$15,000 for a spouse, US\$15,000 for each child under the age of eighteen and US\$35,000 for each other adult family member.

Both citizenship methods require the completion of due diligence checks which cost US\$3,500 per person, and are required for all individuals over the age of sixteen. The fee for each Certificate of Registration is US\$47 and for each passport is US\$31. All

⁵ www.sidf.org/citizenship/

amounts required must first be deposited with the Saint Kitts branch of either the Saint Kitts-Nevis-Anguilla National Bank, First Caribbean International Bank, the Royal Bank of Canada, or Scotia Bank, to be held in escrow, pending approval of the application.

All applicants must satisfy the Government that they are “fit and proper persons” and must undergo due diligence checks as part of the application process. Along with the Application for Citizenship and Application for Passport forms, an applicant must file notarized and certified copies of passports, birth and marriage certificates, divorce certificates, death certificates for deceased spouses in certain cases, medical certificates confirming that the applicant and all family members applying for citizenship are free of infectious diseases, including HIV/AIDS, and a certificate evidencing no criminal record for all applicants over the age of sixteen and two personal character references for the main applicant. All citizenship applications must be either accepted or rejected within ninety days, however the processing of the application may take up to six months.

Benefits of Saint Kitts-Nevis citizenship. Once approved, the applicant and their family can enjoy a luxury second home in one of the most beautiful places in the World. Leisure time can be enjoyed on the nation’s various beaches, sailing its sparkling blue waters and exploring nature in its mountains and rain forests. The Citizenship-by-Investment programme also provides the opportunity for individuals to establish themselves and their families as citizens of Saint Kitts-Nevis, and enjoy life in a society without burdensome taxation.

Saint Kitts-Nevis citizens who visit Canada do not require a visa.⁶ Saint Kitts-Nevis citizens can also travel to European Union (“EU”) member countries that are participants in the Schengen Area (“Schengen”) without obtaining a visa. This waiver allows persons to stay for a maximum period of three (3) months, within a six (6) month period following the date of first entry in any EU country. Schengen does not cover the United Kingdom, the Republic of Ireland, Greenland, the Faroe Islands and the non-European territories of the Netherlands and France.⁷ Kittitians-Nevisians do not need visas to visit the United Kingdom and the Republic of Ireland, and can stay for six (6) months in the United Kingdom and three (3) months in Ireland.⁸ Schengen does include; Iceland, Norway and Switzerland, which have adopted the treaty. Due to their open borders with Schengen members; Liechtenstein, Monaco, San Marino and Vatican City are considered to be *de-facto* Schengen members.

Conclusion. Citizenship in Saint Kitts-Nevis can provide a person with more than a right to reside in a twin-island state with year-round sunshine, marvelous and a wide array of recreational activities. Kittitians-Nevisians are also allowed visa-free travel to many countries, including; the United Kingdom, the Republic of Ireland, Canada and the Schengen Area nations of Europe. Anyone whose freedom to travel visa-free or who is saddled by burdensome taxation should seek relief from such situation by applying for citizenship in the sister isles of the Caribbean, Saint Kitts-Nevis.

⁶ www.cic.gc.ca/english/visit/visas.asp

⁷ www.mofa.gov.kn/ct.asp?xItem=1498&ctNode=212&mp=6

⁸ www.ukvisa.gov.uk; Immigration Act 2004 (Visas) (No. 2) Order 2006, S.I. No. 657 of 2006