

Where and Why Wealthy People Are Exploring Alternative Residence & Citizenship

Speakers:

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We Advise Private Clients and Governments



Private Client Services

Helping high-net-worth individuals and entrepreneurs to acquire one or more alternative residences and/or citizenships around the world

- Residence and citizenship advisory
- Real Estate
- Education
- Concierge

*Over 60 offices worldwide,
 leading the sector for over 25 years*



Government Advisory Services

Strategic consulting, design, set-up, operation, and promotion of residence and citizenship programs for countries worldwide

- Residence and citizenship program design
- Program set-up and operation
- Application processing and due diligence
- Global positioning and promotion

*Raised over USD 15 billion in
 foreign direct investment*

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Spotlight on the Investment Migration Sector



EUR 20 billion

The estimated value of the investment migration sector in 2022

100 +
countries offer some form
of program

90%
of programs are in high-income
countries

Around 60
jurisdictions actively
promote programs

30
programs attract the biggest
share of applicants

26
European Union member
states provide the right to
reside in return for making
an investment

All 19
sovereign countries in the G20
offer a mechanism to encourage
inward investment in exchange
for residence rights

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The Difference between Residence and Citizenship

Residence

- Grants the right to live, work, and study in a country
- Usually comes with conditions or requirements to maintain the residence
- May give some travel rights
- Must be renewed
- Provides access to country benefits: Healthcare, education, etc.
- May have a path to citizenship

Citizenship

- Grants life-long full natural rights, including the right to vote
- Can be passed on to future generations
- Allows international travel
- Provides access to country benefits: healthcare, education, etc.
- Provides ability to live, work, study, conduct business in that country and possibly other countries

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Historically, interest came from emerging markets seeking:



- Nations with rule of law
- Political stability
- Access to sophisticated banking systems
- Premium education
- Top-tier healthcare
- Personal safety
- Stronger passport with improved visa free access and easier access to countries with strong GDP

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Exploding interest from highly developed countries like the United States



- 138% increase in inquiries from US nationals when comparing Q1 2024 and Q1 2025
- Sustained interest -- Despite post election spike, there was 29% increase in inquiries from US in Q1 2025 over Q4 2024
- Americans top nationality for inquiries worldwide in 2024
- Comparing 2024 US-American client numbers to 5 years ago (2019) there has been 1000+ increase

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Top Drivers for Alternative Residence & Citizenship

Freedom of movement

- Covid 19 presented us with a stark example of the risk of having one passport
- Brexit – UK loses EU benefits
- Retirement

Plan B

- Holding more than one citizenship or residence is the ultimate insurance policy in time of crisis and volatility
- Enhanced mobility in the Age of Uncertainty

Wealth & Mobility Preservation

- Provides present & future generations global business, education, cultural opportunities: global mobility legacy
- Provides greater investing and entrepreneurial opportunities

Bonus for Diversifying Portfolio

- Many programs qualify through real estate purchase, currency deposit, or investment which many are doing to diversify today anyway

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Are US clients planning to relocate or renounce?

- For the most part, clients from developed countries mostly want options and view investment migration as an insurance policy.
- Goal is futureproofing one's family by securing multiple jurisdictions across the globe.
- Do not relocate. Some spend little to no time in the country of citizenship or residence
- Less than 2% of our clients are planning to renounce.



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Will this make me have to pay more taxes?

- For the most part, if you keep your stay in a country under 183 days / year, you do NOT become a tax resident. (Switzerland is an exception)
- Therefore, you are only taxed on income that you generate in the country of residence /citizenship such a rental income or dividends on investments held there
- For clients wanting to stay 6+ months, there are certain programs that have flat tax options
- And...we always involve local tax providers to cover these kinds of questions



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Dual Citizenship for US Citizens: It's allowed!



- Many of our clients get a portfolio of passports!

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Citizenship by Ancestry

- Most countries will allow citizenship to be acquired if one can prove they are a direct descendant of that country
- The number of generations removed from the direct descendant that can qualify will vary depending upon the country.
- In early 2020s, both Germany and Austria enacted amendments that allows the granting of citizenship to victims of Nazi persecution and even more importantly their descendants



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Leading Residence and Citizenship Programs



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Most Popular Programs for U.S. Citizens



- Caribbean
 - Antigua & Barbuda
 - Grenada
 - St. Kitts & Nevis
- Europe

Portugal	Greece
Malta****	Italy
- Others

Australia	New Zealand
United States	UAE
Panama	Costa Rica
Switzerland	

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Tax Considerations

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US tax on foreign income

Worldwide taxation

Foreign tax credit for “income taxes”

Potential deduction for other taxes

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Income Taxes in Select Countries

Country	Antigua and Barbuda	Greece	Italy	Portugal	New Zealand
Top personal income tax rate	None	44%	43% plus local taxes (up to ~4%)	53%	39%
Special lump sum tax regime?	N/A	YES – €100K plus €20K per additional family member	YES – €200K	No	No
Treaty with US?	No	Yes	Yes	Yes	Yes
Withholding tax: dividends*	N/A	5%	15%	15%	15%
Withholding tax: interest*	N/A	15%	10%	10%	10%

* Assumes application of US-local country tax treaty

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When are you “tax resident” of another country? Using tax treaties to protect you

- You can be considered “resident” of more than one country based on local country tax residence rules (e.g. residence based on citizenship or majority of year in country)
- Treaties contain “residence” tiebreakers
- Typical tests:
 - Permanent home
 - “Center of vital interests”/closer connection
 - Habitual abode
 - Citizenship
- Foreign country may require IRS certification of US residence – expect a long wait

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Investing in a Foreign Fund

- Is it treated as a partnership for U.S. purposes?
- If not, it probably is a “passive foreign investment company”



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What are “passive Foreign Investment Companies”?

- Foreign entities that are treated as corporations for U.S. tax purposes and flunk either of two tests:
 - Passive assets
 - Passive income
- Foreign mutual funds almost always are PFICs
- Foreign venture funds can be PFICs
- Early stage companies can be PFICs
- Separate rules for 10%+ shareholders of US-controlled entities

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How are owners of PFICs taxed by default?

Dividends are taxed at ordinary income rates

If dividends increase significantly in any year, they are subject to a punitive “excess distribution” tax regime

Gains on sale are treated as if they were distributions and are subject to the “excess distribution” tax regime instead of capital gains tax

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What should I do if an investment might be a PFIC?

You probably will want to make special US tax elections

You will need annual financial information from the company sufficient to provide required U.S. tax reporting

You may need to pay U.S. tax whether or not distributions are made (similar to partnership) – does the entity plan to make distributions?

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Special Considerations for Real Estate

- Transfer taxes
- Property taxes
- Tax on rental income
- Tax on sales
- Local custom – ownership structuring



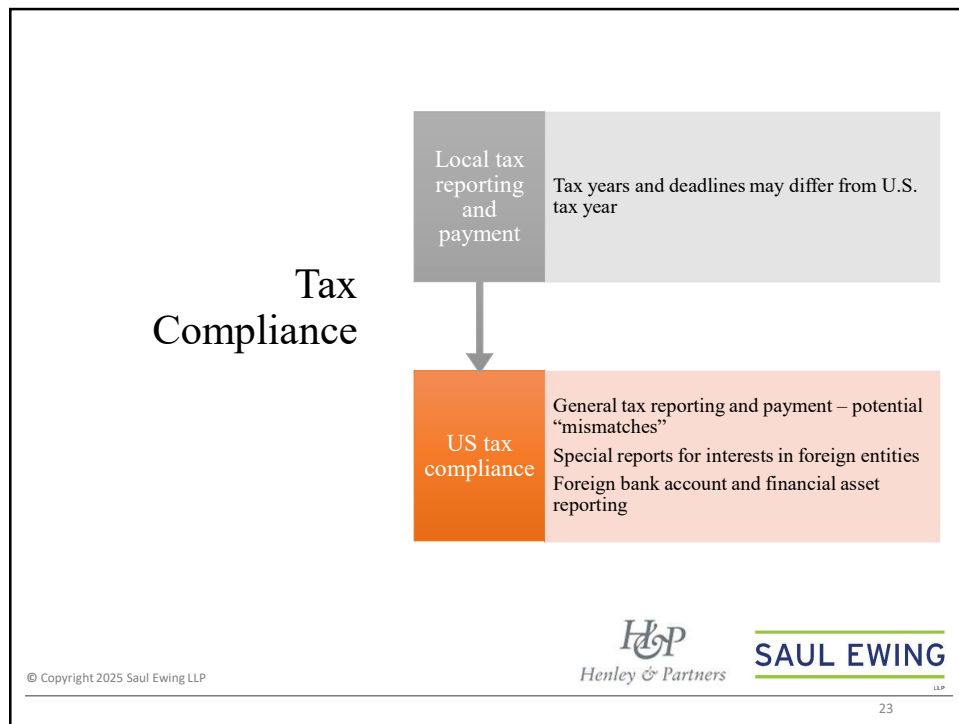
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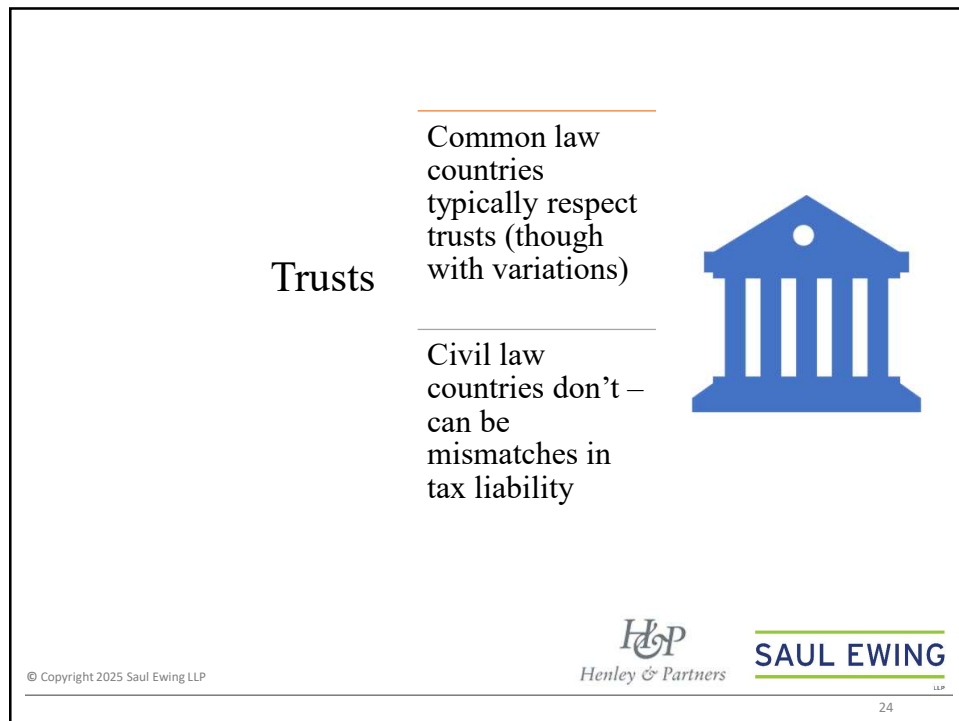
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Estate Planning

- Formal process for designating the persons or charities that will receive and manage your assets upon your death or incapacity.
- Will
- Trust(s)
- Beneficiary Designations
- Durable Power of Attorney for Management Of Property



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Purpose for Comprehensive Estate Planning



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Start Planning Early

Inventory Assets and Location

- Tangible Assets
- Financial Assets – Cash, Cash Equivalents, Investments, CDs, Bank Accounts, etc.
- Intangible Assets – Intellectual Property, Trademarks, Patents, Copyrights, right of publicity
- Digital Assets
- Update



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Foundation for U.S. Assets

- Professional Advisors – Attorney, CPA, Investment/Financial
- Will
- Trust
- Power of Attorney for Property Management
- Power of Attorney for Health Care
- Beneficiary Designation
- Burial and Funeral
- Digital Asset Protection Strategies
- Review, Review, Review



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Research

- Understand succession law in relevant jurisdiction
 - Probate process
 - Will v. Trust
 - Situs Will
 - Forced Heirship
 - Validity of prenuptial agreements
 - Estate Tax and Treaties



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U.S. Estate and Gift Tax

- Based on citizenship
- Worldwide assets
- Exemption – 2025, \$13,990,000
- Annual exclusion – 2025, \$19,000
- 2026 - ???
- Avoid double taxation
- Tax Treaties



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Understand Applicable Succession Law

- Common law v. civil law
- Situs -location of assets
- Forced heirship
- Prenuptial agreements
- Choice of Law – EU Succession Regulation

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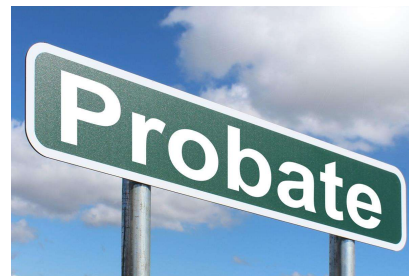
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Wills and Trusts

- Validity of Will
- Situs Will/International Will
- Multi-jurisdictional Will
- Washington Convention
- Hague Convention
- Selection of Executor
- Treatment of Trusts



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Minors

Planning
Guardianship



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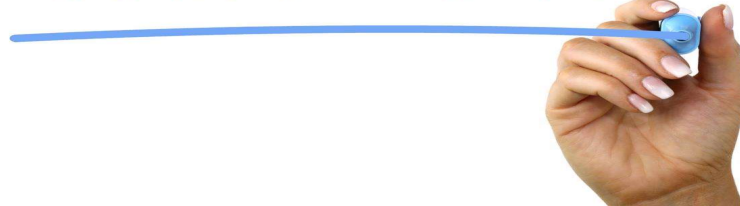
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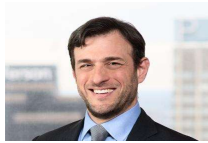
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