

TRAVEL AND HOSPITALITY

## Pandemic passport demand increases during COVID-19 times

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*Post-pandemic demand for second passports for countries in the European Union and the Caribbean, with their visa-free access to many markets, has grown among the affluent set*

By [Maryanne Maina](#)

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The investment migration practice residence and citizenship by investment industry is now a multibillion-dollar industry.

Ultra-high-net-worth individuals (UHNWI) and high-net-worth individuals (HNWI) have grown in numbers worldwide and are continuously purchasing additional passports as investment migration increases in the times of COVID-19.

According to global real estate brokerage and consultancy Knight Frank, UHNWI have at least \$30 million in investable assets and HNWI have at least \$1 million in liquid financial assets.

In the past years, individuals purchased second passports through citizenship programs for the ease of business travel, education for children or leisure.

But the year of COVID-19, 2020 has led to a different need for passports: access to healthcare, pandemic responses and potential safe havens to ensure they have a backup plan for the future.

Investment migration is based on wealth. These programs are used to receiving the benefits of additional citizenship, including a new passport.

Investment migration programs offer residence or citizenship in exchange for substantial investment in a country's economy, usually in the form of real estate, job creation, infrastructure development or government bonds.

The cost of these programs range from \$100,000 in Antigua, 350,000 for Montenegro, 1.1 million in Malta and 3 million for Cyprus.

Once upon a time, the United States passport ranked highly for global mobility, but its status has diminished as countries turn away Americans due to the country's high infection rates. This has also led to an increase in Americans also purchasing passports that give them global mobility during the pandemic.

Henley & Partners Group is a Swiss-based citizenship and residency advisory firm that works with the wealthy

individuals to acquire second passports.

The firm until last year had two offices in Africa: Johannesburg and Cape Town, both in South Africa. This year it opened an office in Lagos, Nigeria.

South Africa and Nigeria comprised about 85 percent of the more-than-100 Africans that purchased Henley's services in 2019, according to the firm.

Most Kenyans and Nigerians who explore Henley's offerings earn their income in their home country and have no plans to relocate.

These individuals purchase these passports to ensure that they have greater options for last-minute business travel, medical purposes or to provide education for their children.



*Marios Rafail*

In this Q&A, Marios Rafail, head of the Geneva office for [Henley & Partners](#), discusses the business of investment migration.

If you compare 2019 to 2020, has there been a significant increase in the purchase of second citizenships?

An alternative citizenship always remains a safety pillar for different reasons for potential investors due to different parameters, such as the ability of entrepreneurs to have additional mobility tools, geopolitical turmoil in different regions, such as in the Middle East and Hong Kong and, of course, the pandemic that enhanced the desire for alternative citizenships, has boosted the demand.

Do all countries permit dual citizenships?

It depends on the country.

For example, countries such as the Netherlands, China and Kazakhstan do not allow dual citizenship.

On the other hand, most of the countries have no restrictions on the number of citizenships an individual should own.

What is driving the purchase of passports during COVID-19?

Mobility is a key factor when it comes to obtaining another citizenship or residence.

The global pandemic has basically torn down the possibility of travelling and in that aspect clients want to have solutions, in case another pandemic comes into place.

To be clear, this is not about escaping the current pandemic, but being ready for the next one pandemic.

A new parameter that is now defining their choice of program is heavily correlated to its health system.

Clients are, for example, thoroughly checking the number of COVID cases per country before they make their choice of preference.

Which are the top five countries that are "hot" in COVID?

The main focus of our business and industry is obtaining an alternative citizenship or residence through investment.

In terms of citizenship, the highest demand always remains for Malta and Cyprus, whilst there is an increased demand for Montenegro [candidate for European Union membership], a program that requires a lower investment.

In the Caribbean, Saint Kitts & Nevis and Antigua & Barbuda always remain on top of the list, especially for clients from Africa and the Middle East.

In the COVID-19 times, for Africans, which countries have been your top clients? And which passports are they interested in, and why?

In sub-Saharan Africa, the countries that have increased in demand for additional passports in COVID are Nigeria, Kenya and South Africa.

Globally, Nigerian and South African nationals entail the biggest percentage of our African portfolio.

According to our Geneva office, North Africa is one of the key drivers for demand for our services, namely Morocco, Algeria and Tunisia.

What is the basis of the decision for their purchase for pandemic passports?

Desire for easy access to good healthcare, especially if the individuals are from markets with challenged healthcare systems.

E.U. passports grant the applicant and their family unlimited access and settlement freedom throughout the European Union zone.

Which is the most popular individual investor program in the citizenship schemes?

The Maltese program is the most popular and on high-demand program.

To get Maltese citizenship, the individual requires approximately 1 million, but for a family of four people it would cost 1.2 million and a significant portion of this amount is non-redeemable because it is a donation to the local economy.

In return, the individual has the right to live and work in Malta and in the European Union, with visa-free access to 183 destinations in the world including Canada, Hong Kong, Japan, Singapore, Europe's Schengen Area, the U.K., U.S. and the United Arab Emirates.

The Maltese passport is the seventh strongest passport in the world in passport ranking.

How long does it take to complete the application process and what is required from the applicant?

The programs take time to be processed.

Depending on the country of application, the due diligence process requires anywhere from four months to 14 months.

Part of the process includes financial and criminal evaluations to ensure the money has been earned legally, prior to the approval of their residency or citizenship.

The applicant has to disclose their net worth and the source of funds, as well as provide police clearance certificates in their country of birth and country of citizenship.



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