

Citizenship-by-Investment in St. Kitts & Nevis

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Acquiring alternative citizenship is usually a lengthy process involving substantial changes in life, including several years of residence in a country where one can ultimately naturalize and become a citizen after fulfilling the required residence period.

The most efficient and fastest option to acquire an alternative citizenship is the Citizenship-by-Investment program of St. Kitts & Nevis. This is the best solution if you are interested in obtaining a legal second citizenship with minimal disruptions of your life in a short period of time – and with reasonable overall costs that can be clearly calculated in advance.

The Citizenship Program of St. Christopher (St. Kitts) & Nevis was established in 1984, which makes this the longest established Citizenship-by-Investment program. Regulations regarding citizenship-by-investment are contained in Part II, Section 3 (5) of the Citizenship Act, 1984.

To qualify for citizenship, the government requires either an investment in designated real estate with a value of at least US\$ 350,000 plus the payment of government fees and other fees and taxes, or a contribution to the Sugar Industry Diversification Foundation (SIDF, a public charity) in the amount of US\$ 200,000 (for a single applicant) inclusive of all government fees.

With the real-estate option, there are also purchase costs of approximately 6% of the purchase price, government fees of US\$ 35,000 for a single applicant plus US\$ 15,000 for each dependant and a US\$ 3,500 due diligence fee per adult applicant. As the application procedure under this option involves the purchase of real estate, this can lengthen the processing time depending on the chosen property. The real estate cannot be re-sold until 5 years after the purchase, and after

that will not qualify the next buyer for citizenship. With the SIDF option, there are 4 different categories: A) Single applicant: US\$ 200,000 investment required; B) Applicant with up to 3 dependants (i.e. spouse and 2 children below the age of 18): US\$ 250,000 investment required; C) Applicant with up to 5 dependants (i.e. one spouse and 4 children): US\$ 300,000 investment required; and D) Applicant with 6 and more dependants: US\$ 400,000 investment required. In each of these categories, the total amount includes all government and due diligence fees. The documentation required for an application is reasonable and the application procedure is straightforward. The average processing time is usually 3 to 4 months.

The St. Kitts & Nevis Citizenship-by-Investment program has always been carefully managed and only few passports have been issued under this program. St. Kitts and Nevis applies some of the world's strictest due diligence procedures on all applicants before they are recommended or declined for citizenship. As a result, all St. Kitts & Nevis citizens enjoy a well-respected passport and good visa-free travel.

Visa-free access to EU for St. Kitts & Nevis citizens

St. Kitts & Nevis has recently been added to the EU list of countries whose citizens are allowed visa-free entry in the EU. St. Kitts & Nevis therefore enjoy even greater visa-free travel, which further increases the attractiveness of becoming an investor and citizen in this beautiful twin-island state.

Buy real estate ... and become a citizen

A foreign national who wishes to acquire real estate on St. Kitts & Nevis will normally need an authorization known as an Alien Land Holding License as stipulated by the Alien Land Holding Regulation Act Cap. 102.

Through the Citizenship-by-Investment program however, no such license is required, but the acquisition of real estate with the aim of obtaining citizenship is in any case limited to developments which possess a corresponding special authorization issued by the government.

St. Kitts & Nevis has two different systems of transferring and showing proof of ownership of real estate. Under the British deed system inherited from the colonial period, title to property can be transferred with a deed in accordance with the Conveyancing and Law of Property Act, which requires a search at the Registry of Deeds for upwards of 35 years. A second option is to acquire property by means of a Certificate of Title based on land surveying plans and subsequent entry in a title register on the basis of the Title by Registration Act.

The acquisition of title to property via a deed is less secure, because the deed applies only to the seller and buyer and does not preclude a third party from asserting a better title. A valid property title can be acquired only if the basis of the current property title can be demonstrated to go back 35 years by submitting proof of an unbroken ownership chain. A Certificate of Title is preferable to a deed. A title certificate gives the buyer a government guarantee and a right in rem or title insurance, and such a title is valid with respect to everyone. A title certificate also displays all encumbrances, such as mortgages, on the property. If a property is acquired by means of a deed, the buyer or owner may subsequently request registration under the Title by Registration Act at any time by applying to the Registrar of Titles.

St. Kitts & Nevis is a small country in which lawsuits concerning disputes of ownership title to property are very rare. Before every acquisition, a lawyer will naturally check whether the own-

ership title is correct and unencumbered, and any problems will practically always come to light in the course of these enquiries and can be cleared up in advance.

Real-estate transfer taxes and other costs

Various acquisition costs are payable when buying property. In particular, a contribution of 0.2% must be made to the Assurance Fund. This is a contribution to title assurance which is a legal requirement on St. Kitts & Nevis in respect of transfers by Certificate of Title. The preparation of a survey plan costs about US\$ 300, and the mandatory lawyer will charge a conveyance fee of about 2.5% of the purchase price. Accordingly the total real estate acquisition costs amount to approximately 3 to 4%.

It should also be borne in mind that whenever the property is sold, the seller would be required to pay a transfer tax of 12% of the selling price. Furniture and fixtures can usually be imported duty-free.

Annual taxation

The Comptroller of Inland Revenue assesses the market value of the property, and a property tax of 0.2% is levied annually on this market value. If the property is rented out, any rental income is tax-free for the owner. In the event of a sale, there is no capital gains tax to pay either. The tax system on St. Kitts & Nevis is also financially interesting for those who wish to become resident there. This is because income is not taxed and there are no wealth taxes either.

Stable real-estate market

The minimum investment requirement to qualify under the economic citizenship program as set by the government is US\$ 350,000. Like everywhere, however, prices have no upper limit, and if one is prepared to spend several million US dollars, a luxury property containing all conceivable comforts and conveniences may be acquired.

Real-estate prices in St. Kitts & Nevis have seen a very stable growth over the last 15 years. Prices are sup-

ported by the citizenship option that foreign purchasers of real estate have, which creates an extraordinary stability of the real-estate market compared to other countries in the region and beyond. This is particularly important during economic downturns such as the current economic crisis that the world is experiencing, and therefore an investment in real estate in St. Kitts & Nevis actually is a safe option to invest funds.

St. Kitts & Nevis clearly the best option for alternative citizenship

If you would like to benefit from an alternative citizenship and passport, citizenship in St. Kitts & Nevis is likely to be the overall most attractive option. In particular the new SIDF contribution route is excellent, as the overall outlay can be calculated easily, there are no on-going costs, and citizenship and passport can be obtained efficiently within a very short period of time.

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