How tycoons can go shopping for a new passport

Level 2 • Upper intermediate

1 Warmer

• What citizenship(s) do you have?
• Have you ever had a different one?
• Are / Were your parents or grandparents citizens of any other countries?
• If you could get any citizenship, which country’s would you choose and why?

2 Key words

Fill the gaps in the sentences using these key words from the text. The paragraph numbers are given to help you.

<table>
<thead>
<tr>
<th>undermine</th>
<th>fraud</th>
<th>booming</th>
<th>Schengen zone</th>
<th>protectionism</th>
<th>potential</th>
<th>grant</th>
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</thead>
<tbody>
<tr>
<td>residence permit</td>
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<tr>
<td>1. allow someone to have or do what they want _________________________________________ (para 2)</td>
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<td>2. becoming very popular _________________________________________ (para 3)</td>
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<td>3. an official document that allows you to live somewhere _________________________________________ (para 5)</td>
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<td>4. an area of 26 European countries that have officially ended passport and all other types of border control at their borders _________________________________________ (para 7)</td>
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<td>5. the possibility to develop or gain something _________________________________________ (para 9)</td>
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<td>6. not changing often and not likely to suddenly become worse _________________________________________ (para 9)</td>
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<td>7. a system in which a country helps its own industries by putting taxes on foreign goods _________________________________________ (para 11)</td>
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<td>8. deliberately do things that make something appear less impressive or less important _________________________________________ (para 13)</td>
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<td>9. a threat to punish someone for breaking a rule _________________________________________ (para 13)</td>
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<td>10. the crime of getting money from someone by tricking them or by giving services and documents that may be illegal _________________________________________ (para 14)</td>
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3 Descriptive terms

Find at least five terms in the article that are used to describe people who have lots of money.
Citizenship for sale: how tycoons can go shopping for a new passport

Jon Henley
2 June, 2018

1 It’s what every twenty-first-century oligarch wants and many multimillionaires, too: a second – and sometimes a third or even a fourth – passport.

2 Israel, which helped Russian billionaire and Chelsea football club owner Roman Abramovich out of a spot of bother recently by granting him citizenship, offers free nationality to any Jewish person who wants to move there.

3 But there are more than 20 other countries, including several in the EU, where someone with as much money as Abramovich can buy a new nationality: the global market in citizenship-by-investment programmes – or CIPs as they are commonly known – is booming.

4 The specifics of each scheme – and the costs, ranging from $100,000 to €2.5m – may be different but not the idea: basically, wealthy people invest money in property or businesses, buy government bonds or simply give money directly, in exchange for citizenship and a passport.

5 Some do not offer citizenship for sale straight away but run schemes usually known as “golden visas” that give investors residence permits that can eventually lead – usually after a period of five years – to citizenship.

6 The programmes are not new but are growing quickly. Most of the people who want to buy citizenships are wealthy private investors from countries that are developing quickly including China, Russia, India, Vietnam, Mexico and Brazil, as well as the Middle East and, more recently, Turkey.

7 The first scheme was launched in 1984, a year after young, poor St Kitts and Nevis won independence from the UK. Slow at the beginning, it quickly became popular after 2009 when passport-holders from the Caribbean island nation were granted visa-free travel to the 26-nation Schengen zone.

8 For poorer countries, schemes like these can be a gift. They can lift the countries out of debt and even become their biggest export: St Kitts and Nevis earned between 14% and 30% of its GDP from its CIP in 2014.

9 Wealthier countries such as Canada, the UK and New Zealand have also seen the potential of CIPs (the EB-5 programme in the USA is worth about $4bn a year to the economy). They sell their schemes more around the attractions of a stable economy and safe investment environment than on freedom of movement.

10 Experts from the many companies, such as Henley and Partners, CS Global and Apex, now specializing in CIPs, say that not many of their clients buy citizenship in order to move immediately to that country.

11 For most, the new citizenship is like an insurance policy because nationalism, protectionism and fears of financial instability are increasing around the world.

12 But not everybody likes CIPs. Malta, for example, has been criticized for its programme, run by Henley and Partners, which allowed more than 800 wealthy individuals to gain citizenship in the three years following its launch in 2014.

13 Critics said the scheme was undermining the idea of EU citizenship, posing potential major security risks and giving a possible route for wealthy individuals with income from unknown sources to avoid sanctions in their own countries.

14 Several other CIPs have come under investigation for fraud, while equality campaigners increasingly argue that it is simply wrong to grant automatic citizenship to the super-rich when people with less money must wait their turn – and, in many cases, be rejected.
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**HOW CIP WORKS AROUND THE WORLD**

**The Caribbean**

The best-known – and cheapest – CIP schemes are in the Caribbean, where the warm climate and low investment requirements have been popular for a long time. Five countries currently offer CIPs, often giving visa-free travel to the EU, and many have recently cut their prices to attract investors to help them rebuild after hurricanes in 2017.

In St Kitts and Nevis, a passport can now be had for a $150,000 donation to the hurricane relief fund, while Antigua and Grenada have cut their fees to $100,000, the same level as St Lucia and Dominica.

**Europe**

Almost half of the EU’s member states offer some kind of investment residency or citizenship programme leading to a highly prized EU passport, which typically allows visa-free travel to between 150 and 170 countries.

Malta’s citizenship-for-sale scheme requires a €675,000 donation to the national development fund and a €350,000 property purchase.

In Cyprus the cost is a €2m investment in property, land, stocks, government bonds or Cypriot businesses.

In Bulgaria, you can get residency for €500,000, and €1m over two years plus a year’s residency gets you fast-track citizenship. Investors can get residency rights leading to citizenship – usually after five years, and after passing language and other tests – for €65,000 in Latvia, €250,000 in Greece or €500,000 in Spain.

**Rest of the world**

Thailand offers several “elite residency” packages costing $3,000–$4,000 a year for up to 20 years residency.

The EB-5 US visa, particularly popular with Chinese investors, costs between $500,000 and $1m depending on the type of investment and gives green-card residency that can eventually lead to a passport.

Canada closed its CA$800,000 federal investment immigration programme in 2014 but now has a similar residency scheme, costing just over CA$1m, for “innovative start-ups”, as well as regional schemes in, for example, Quebec.

Australia requires an investment of AU$1.5m and a net worth of AU$2.5m for residency that could, eventually, lead to citizenship. New Zealand – popular with Silicon Valley types – requires an investment of up to NZ$10m.

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4 Comprehension check

Answer the questions using information from the article.

1. What are CIPs and how do they work?
2. Which was the first country to offer CIPs, when and why?
3. What special benefit comes with citizenship of some Caribbean countries and EU member states?
4. How do countries that offer CIPs benefit from them?
5. Why might wealthy business people want a second or third citizenship?
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5 Expressions

a. Rearrange the words to make two expressions from the article.

(a) ____________________________ (four words)
(b) ____________________________ (three words)

discussion the graphic from the article:

www.theguardian.com/world/2018/jun/02/citizenship-by-investment-passport-super-rich-nationality

6 Discussion

• Read this excerpt from the article and discuss how you feel about it.

… equality campaigners increasingly argue that it is simply wrong to grant automatic citizenship to the super-rich when people with less money must wait their turn – and, in many cases, be rejected.

• Read the information about CIPs in the Caribbean, Europe and the rest of the world again. Which CIP sounds the most fair and which the most unfair to you?

7 Webquest

a. Discuss the graphic from the article:

www.theguardian.com/world/2018/jun/02/citizenship-by-investment-passport-super-rich-nationality

b. Is there a citizenship test for your country (or the country you live in)?

If so, research:

• the kind of questions that are asked in the test;
• what is available to help people study for the test;
• how much it costs to take the test;
• the pass rate.

If not:

• decide what facts people should know about the country before they decide to live there.
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KEY

2 Key words

1. grant
2. booming
3. residence permit
4. Schengen zone
5. potential
6. stable
7. protectionism
8. undermine
9. sanction
10. fraud

3 Descriptive terms

tycoons (headline)
oligarch (para 1)
multimillionaires (para 1)
billionaire (para 2)
wealthy people (para 4)
wealthy private investors (para 6)
wealthy individuals (paras 12 and 13)
the super-rich (para 14)

4 Comprehension check

1. citizenship-by-investment programmes – Wealthy people invest money in property or businesses, buy government bonds or give cash directly in exchange for citizenship and a passport.
2. St Kitts and Nevis in the Caribbean; After they won independence from the UK in 1984, they were short of money and needed to find a way to bring cash into their country.

3. free travel within the Schengen zone
4. Poorer countries can lift themselves out of debt and CIPs may even become their biggest export. Wealthier countries such as Canada, the UK and New Zealand have also seen the potential of CIPs and the financial investment they can bring.
5. For most, CIPs are a kind of insurance policy because of the nationalism, protectionism, isolationism and fears of financial instability that are increasing around the world.

5 Expressions

a spot of bother – a problem that is small and not serious but needs to be solved

freedom of movement – the right to move to and live in another country