

Title:

Second Passports - How, Where and Why

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Summary:

Our Law Firm gets numerous inquiries from clients around the world for second passports and second citizenships.

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Introduction - Our Law Firm gets numerous inquiries from clients around the world for second passports and second citizenships. Generally these programs require one to have a substantial sum of money that can be invested. The Panama Instant Passport program requires one to place about \$175,000 in the bank in Panama for five years in return for \$750.00 a month in bank interest paid monthly and a five-year passport, which includes a five-year residency. Not everyone has this much money to invest, even though they can decline to renew the program after five years and just take their money back making the program practically free.

The concerns with this program are what if the program is not available in five years? What if the program requires more money at the end of five years to renew? Will I need to present another passport to renew this passport at the end of five years or can I renew based on the Panama Passport? We do not know what the renewal requirements will be in five years. This has caused us to come up with alternative measures for those wanting to leave their home country and start all over with a new residency, citizenship, passport, driver license, bank account and Visa card. This is essentially a new start.

South American Passport Free Travel - In the European Union one can travel around the various countries based on a National Citizenship or Permanent Residency Identity Card. This eliminates the need for a passport unless one is going to travel on an airplane or out of the EU. Some air travel may be possible without a passport in the EU. What most do not know is that South America is also operating this way.

Why South America - A number of reasons. The real estate is most affordable. The

medical is great and cheap with insurance available for most. Hospitals may be better than what you are used to. Doctors make house calls. Dentistry is affordable for almost all. Food is basically pure as in organic and cheap. Cars cost about the same. Governments are stable, some more than others but homeless people; people living in cars, etc are absent for the most part. A live in maid runs \$120 to \$250 a month. A full time driver runs \$150 to \$325 a month. Crime is lower than North America or Europe. Gun ownership is real easy in some countries. Prescriptions can generally be bought without a prescription with few exceptions like heavy pain and sleeping pills. Most of these countries we deal with will not tax money coming in from outside of their country. Some have some form of bank secrecy. Freedom is high; taxes are for most of you going to non-existent in the new country. These countries have criminalized businesses and the governments tend to focus on real crimes. South America by and large has poor relations with many of the high tax, privacy invasive countries. South America is even starting its own IMF and World Bank called Bank Sur, Bank of the South. Actually it is already open. South America is the place to go for a fresh start. It has everything you have now and then some. You will probably live calmer and better.

Differences between The European Union and South America - Some of you may think well why don't I go to the EU for a residency. Most of what the client is trying to get away from is going to be present in the EU and even more so. There is a severe loss of privacy. Bank secrecy and corporate secrecy is generally just a memory. Taxes have reached the 80% mark in some of the European countries, admittedly there are some social services available but for you in the high-income brackets this sort of taxation would be torturous. Plan on offshore income being taxed and at high rates. Plan on really invasive filing requirements. Plan on paying high VAT rates in addition to other taxes, think 25%. Real estate prices are going to be at least four times higher than South America and in some cases much more than that. Lawyers can run wild there since actions concerning events in one country can be collected in any of the EU countries. Forget asset protection in the EU. The cost of living is generally higher than from where you came from. Weather conditions are generally not tropical or even semi-tropical but they are good for snow skiing and ice-skating. Crime is present in significant levels. I do understand that not all countries have all these factors in play at the same time.

Andes Community of Nations - This is essentially a trade block in South America consisting of: Bolivia, Columbia, Peru and Ecuador. These countries allow cross border travel if one has a residency ID card from any of these countries and they also extend the privilege to those holding a residency ID card from any Mercosur country including associate members. (Argentina, Brazil, Chile, Paraguay, Uruguay and Venezuela).

Mercosur - Mercosur is another trade block in South America that allows those holding resident ID cards to cross borders without a passport. Mercosur consists of Paraguay, Brazil, Argentina, Uruguay and Venezuela.

South America Passport Free Travel- This means that one can travel passport free in these 10 countries - Argentina, Brazil, Chile, Paraguay, Uruguay, Venezuela, Bolivia, Columbia, Peru and Ecuador.

Residency Advantages - Getting a residency ID card from some of these countries is a process that requires as little as 30 days. Usually a temporary card is issued which becomes permanent in about six months. It is usually required to get a letter with the temporary card stating that the permanent card has been applied for to enable cross border travel with the temporary residency card. This is easy to obtain. Getting a Passport is generally time consuming the exception being the Panama Instant Passport Program, which requires 60 days. Many of the economic Citizenship programs take six months or longer to get a passport and the investment required is usually in excess of \$350,000 and this is not money that you get back someday like the Panama Instant Passport Program.

Residency Country Time Requirements in Country- Generally it requires about 30 days initially to apply when you must remain in the country. Please bear in mind this can vary from country to country. Usually you will need to return for a few weeks to pick up the permanent residency card. You should plan on spending several weeks a year in the country until you get your passport. Down the road two to five years later.

Getting to a Passport - It can vary from country to country. The least amount of time is one has to have a permanent residency for two years and in other countries it is three years or five years. REMEMBER you can always obtain the Panama Passport, which is good for five years in sixty days. Then you have a five-year passport, which will carry you over until the South American country issues you a passport.

Time Spent in the Other Participating Countries - You would be allowed to stay for very long periods of time, months if not years. You would be free to come and go just by presenting your ID card. You could live in any of the other listed countries, working would be a different matter that would need to be addressed on a country by country basis with legal counsel in the country since there could be a lot of variables involved.

Banking as a Resident - Once you have your permanent residency card which takes about six months, opening a bank account in the country without being required

to show your old country passport will not be hard at all. When the residency is temporary the bank will want a passport from somewhere. When you have your permanent resident card opening bank accounts should be easy without you needing to present your passport at the bank registering the account to a citizen of whatever country your passport is from. It helps to get a drivers license in the country which is generally a matter of just showing your existing one. You should be prepared with a local address and telephone when opening a bank account with just your residency ID.

Civil Collections in your New Country - Generally any existing civil debts should not follow you to your new country. We do always suggest banking in Panama through a Panama Private Interest Foundation or anonymous bearer share Panama Corporation. The Panama Foundation has superb asset protection features. The banks in Panama are world class, which is probably not going to be the case in the country granting you the residency. Panama has no tax treaty or civil judgment collection treaty with any other country. What would be advisable is to bank in Panama and transfer money to live on several times a year to your new resident country if you chose to reside there year round. In any event civil judgments, lawsuits etc. following you to your new residency country would be extremely unlikely. How would the creditor know where you are, you are banking with an anonymous foundation in Panama aren't you. These countries are not tolerant of cross border civil processes.

Which Country - We work with several of the 10 countries and can vary the country to suit the needs of the client. Some clients want a country to live in cheaply, safely, with good food, weather and medical. Some want more of a metropolis type environment with lots of nightlife. Some seek beaches. Some want snow skiing. Talk to us; tell us what you need, that's what we are here for.

Uruguay - This is our favorite. It is the easiest most direct way to get this residency for cross border travel. There are several easy to meet the residency requirements. You can start a business in a duty free trade zone and employ yourself. You can show proof of income like bank statements, this is not retirement income just any income like self-employment income, rental house income, investment income etc. You can buy or rent a house. You can deposit money in the bank (\$5000.00). Easy to qualify with several different options available.

General Requirements - You will need a police clearance letter. You will need to undergo a thorough physical in Uruguay. You will need a passport, birth certificate and marriage certificate. You will need birth certificates for minor children and spouse. You will need to be able to obtain a Visa to travel to Uruguay.

Name Changes - We do not get involved with name changes. If you really want to draw attention to yourself this is the way to do it. This is the biggest red flag you can wave. Numerous agencies and governments around the world pick up name changes. If you need a name change consider applying after you have your permanent residency for some time not as a new applicant, but again we do not get involved in name changes so you would down the road need to do it yourself or retain a local attorney for assistance.

Police Records - If you have a police record you may be eligible to apply. It would depend on a number of variables such as the time the offense occurred, the sentence, the offense and the country. Things that would be difficult to get approved would be criminal sentences with more than one year in prison, convictions for drugs, money laundering, weapons trafficking, terrorism, sexual offenses involving force or minors, and crimes of violence. Feel free to discuss this with us if you like. No one knows what will happen until the complete application is presented to the immigration authorities and a decision is made. We cannot ask them for an opinion without them seeing the full application. A criminal record could result in a denial of the application.

Will You Appear Personally in the Immigration Office - The answer is yes. They will fingerprint and photograph you. They will check with Interpol. You will have a local attorney with you who speaks English and Spanish so no translation worries. Your Residency ID card will be picked up by you and the local attorney at the immigration offices. You will be posing for the photo at the immigration office. These are above board programs that all run through the immigration department of the country. It will all be done in a large official government building in the country.

Extradition Considerations - If you are under arrest, under indictment or criminal charges, out on bail or bond, or already convicted and trying to flee before reporting for sentencing these programs are NOT for you. We cannot help you at all in any way shape or form. You would fail the police records check and Interpol would flag you. This would result in you being turned over to the authorities in the country the offense was from. You would only have tourist status in the country you were applying in, since the application would not yet be approved and tourists get no special considerations under these circumstances. No UN country wants to provide safe harbor to fleeing or wanted criminals. If one country did it then many would do it and then a cross border crime wave would be the result. This does not happen.

Extradition exclusions or protections generally apply only to a citizen or permanent resident AND they must have had that status BEFORE the time the crime

was committed. There are usually exemptions for drugs as well so narcotics cases may be extraditable. When the country denies extradition it usually offers to prosecute the person for the crime in his or her own country using their own justice system. This is often a farce since the other country will have to mobilize lawyers to prepare for the trial and attend it, plus bringing in witnesses and evidence to that country. Even then the courts or jury may be most reluctant to hand down a guilty verdict. In any event extradition requests are based on treaties called Mutual Legal Assistance Treaties between countries. So one must read the individual treaty the two countries in question have signed to begin to understand some of the factors that come to bear. Then comes the publicity, severity of the crime and so forth, which seem to also at times work their way into things one way or another. Some of these treaties have an element of dual criminality in them. This generally means that the crime in question must be a crime in both countries. This prevents things like religious, political and racial discrimination from being prosecuted that the person would not be subject to in their own country. Remember if the crime occurred before the residency or citizenship was granted it generally leaves the door open for extradition, but again this too is not an absolute. We do not specialize in extradition cases nor do we take them.

Costs - This is going to vary from country to country. Plan on a fee of \$14,000 for Uruguay. You would have additional fees for certifying documents, photos, travel, housing, filing fees (generally nominal under \$500) and so forth. These extra costs are usually not a major consideration.