RGLOBAL

A Residency Exchange

Securing residency or citizenship through real estate investment

Virtual Round Table Series

Real Estate Working Group 2018

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Political instability and an over reliance on a single economic system are two of the reasons why high net worth investors seek alternative citizenship somewhere other than the country of their birth.

A number of jurisdictions offer citizenship in exchange for substantial investments that further the welfare, advancement and economic development of the country in question. Malta's citizenship-by-investment programme, for example, offers the chance for wealthy non-EU investors to become European citizens, in exchange for a mixture of donations and investments totalling EUR1.2 million per couple. Turkey, as you will read about below, also offers citizenship in exchange for a real estate investment of USD1 million.

These programmes do tend to be the exception, rather than the rule, though, and many countries have discontinued their citizenship schemes, as they either proved too popular or were incompatible with the framework of national identity.

The Canadian province of Ottawa, for example, recently cancelled a popular immigration program for people with a net worth of at least CAD1.6 million who were able to lend Ottawa CAD800,000 interest-free for five years. The decision left behind 65,000 people on a waiting list, about three-quarters of whom were Chinese.

A popular and accessible alternative to citizenship, is residency by real estate investment, offered by a much wider range of countries and still affording significant benefits. This is a vehicle used frequently by European countries affected by the economic crisis of 2008, and is designed to draw wealthy investors to their shores. Spain and Portugal both have attractive schemes which require relatively modest investments of EUR500,000, and both are popular with non-EU citizens desiring unfettered access to the European Schengen area.

While the majority of residency by investment programmes are motivated by the promise of safety, stability, culture and good weather; there are other aspects to be aware of. In the US, for example, many investors choose to base themselves in specific states which have lower taxes than others. Wyoming, as you will also read about in this feature, is known as an inland tax haven for good reason.

Whatever the reason for purchasing a foreign residency or citizenship, it pays to have expertise on your side when negotiating the various vetting procedures that take place prior to purchase. Establishing the source of funds is just one example of the increasingly onerous requirements, as international bodies toughen up money laundering requirements. Having a professional advisor familiar with the customs, cultures and regulations of the jurisdiction you wish to move to is critical to ensure a smooth application process.

The following discussion draws on the knowledge of five such experts. We hear from IR Global members in US - Wyoming, Spain, Turkey, Brazil and The Netherlands, as they provide detail on specific programs, lay out tax policy for new residents and unpick the wider immigration by real estate investment debate in their own countries.

The View from IR

Ross Nicholls
BUSINESS DEVELOPMENT DIRECTOR

Our Virtual Series publications bring together a number of the network's members to discuss a different practice area-related topic. The participants share their expertise and offer a unique perspective from the jurisdiction they operate in.

This initiative highlights the emphasis we place on collaboration within the IR Global community and the need for effective knowledge sharing.

Each discussion features just one representative per jurisdiction, with the subject matter chosen by the steering committee of the relevant working group. The goal is to provide insight into challenges and opportunities identified by specialist practitioners.

We firmly believe the power of a global network comes from sharing ideas and expertise, enabling our members to better serve their clients' international needs.

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Loring International is a law firm specialising in Spanish immigration law. It was founded in 2011 by Blanca Loring Santolalla, an expert lawyer in immigration law who began her professional career at the prestigious law firm Garrigues and worked as legal counsel for foreigners at the Marbella Town Hall from 2007 to July 2012.

Loring International offers legal advice on administrative and judicial procedures on immigration, asylum and nationality. The firm also offers legal advice on investments coupled with the acquisition of residency, such as the preparation of business plans for the start of a business activity, incorporation of companies and legal assistance in real estate investments.

Clients are individuals and companies, as well as other law firms and real estate agencies with which the firm collaborates.

Lawyers are based in Marbella and Malaga and work in Spanish, English, French and Russian, providing services to clients anywhere in Spain.

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Tunay Yılmazlar is the founding partner of Yilmazlar Law Firm. He specialises in real estate law.

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Additionally, he assists foreign clients make property purchases in Turkey and in their subsequent residence and Turkish citizenship acquisitions in connection with their property ownership.

He has extensive experience in mergers & acquisitions, joint venture transactions, contracts and day-to-day corporate and commercial matters.

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Cristiano is a corporate and business law practitioner with extensive in-house legal experience. He places a high premium on providing pre-emptive legal support in Portuguese or English focusing on contract drafting, real estate law, tax planning and bankruptcy.

Cristiano is post graduated in Corporate and Economic Law by Fundação Getúlio Vargas (FGV) and in Tax Law by Instituto Brasileiro de Estudos Tributários (IBET).

He is an executive Committee Member of ATA (Tax Academy of the Americas) where, among other duties, he helps to organise the Academy's activities, such as courses, events, sponsorship prospection, publishing of journals and books.

Cristiano is also a Council Member of Lexnet - Law Firms Alliance, collaborating with law firms in Brazil and abroad.

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Edo's areas of expertise are real estate investments & joint ventures, corporate commercial matters (including litigation and dispute settlement), tax and corporate (re-)structuring, investment funds.

Edo also handles shareholder disputes and litigation at the Enterprise Chamber at Amsterdam (Ondernemingskamer). He is well appreciated for his input as a sparring partner in board room matters and strategic legal issues.

His clients include fund managers, real estate developers and professionals, high growth companies, investors and private wealth.

Edo is fluent in English and German and maintains a wide professional network. He is a co-founder of Lexence advocaten en notarissen in Amsterdam and an alumnus of Allen & Overy and Loyens & Loeff in Amsterdam.

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Christopher Hawks began his legal career in 1991 as a litigation associate with the nationally known trial firm of Spence, Moriarity & Schuster focusing on commercial, public interest, and insurance bad faith litigation.

In 1995, responding to the needs of a growing and diverse client base, Chris opened his own private practice, Hawks & Associates LC, representing businesses and individuals in residential, ranching, resort and hospitality development. Chris's practice has grown to include private clients, corporate and transaction representation for individual clients and family institutions with complex national and international business, trust and trusted adviser needs.

Chris is a member of the Wyoming Board of Law Examiners and serves on the Uniform Bar Exam Special Committee for the National Conference of Bar Examiners. Chris is recognised as a Mountain States Super Lawyer and is Wyoming's only member of the American College of Real Estate Attorneys.

Away from law, Chris runs ultra-marathons, taking first place at the Bighorn 50 Kilometre Trail Race in 2000. He has completed numerous other marathons, half marathons and trail marathons in the United States, Canada and Switzerland. Chris also enjoys fly fishing, skiing and biking.

QUESTION 1

How does the investment for residency and/or citizenship programme work in your jurisdiction?

Spain – Blanca Loring (BL) Spain approved a special programme in 2013, designed to attract investors into Spain following the economic crisis we had suffered from. There are different ways to get a residency permit, but the most common is real estate.

You need to invest EUR500,000 net into real estate, without a mortgage or any additional finance. This can be one big villa, or several small apartments, as long as you reach the necessary amount.

Once the investor has made the investment they will get a one or two-year residence permit, depending on where it is applied for. If obtained from a Spanish Consulate, it is one year, but if obtained in Spain then it is a two-year visa. When it is renewed, a five-year residence permit is granted.

The investor must come to Spain at least once during the permit period, and it does include a work permit, should the investor wish to work in Spain. Investors can also bring family members to reside in Spain, including parents and children, but if they stay in Spain for more than 183 days a year, they will be judged as tax resident.

The application process is quick, taking only ten working days via a Spanish Consulate or 20 working days when processed in Spain. One of the main objectives of investors when they apply is not only to live in Spain, but to travel freely in the Schengen area.

As far as citizenship is concerned, the rule is that only investors who decide to live in Spain during most of the year can become Spanish. Citizenship can be applied for after 10 years of residency (in the case of foreigners from South American countries or The Philippines, this period is reduced to two years), as long as they can pass a Spanish and culture test. In Spain, we are happy to offer residency permits to investors, but we consider citizenship differently.

US, Wyoming – Chris Hawks (CH) Immigration in the US is a highly specialised area of practice, however each state has its own set of state tax laws and that is the area I assist clients with. Wyoming is an onshore tax haven within the US, since we have no state level tax whatsoever. This makes Wyoming very popular, for example New York City has a 13 per cent state tax on income or assets.

On a national level there is the EB-5 visa, which is qualified for via real estate or commercial business investments. The minimum is USD500,000 for an individual property investment, while for a commercial business investment it is USD1 million.

There also has to be a nexus between the investment and job creation.

Turkey – Tunay Yılmazlar (TY) New legislation introduced in Turkey in January 2017 allows a person acquiring property at the value of USD1 million to acquire Turkish citizenship.

There are a number of steps involved in this process which need to be considered before investment. There is a holding period of three years during which the applicant cannot sell or transfer the acquired property to a third party.

Before acquisition, a real estate appraisal report is required, which should evidence that the property is worth at least USD1 million. The report should be dated no more than one month prior to the application to the Land Registry.

The investment does not have to be in one property, but can be made up of multiple investments, such as, for example, two villas and an office. The only requirement is that the property must have been acquired after Jan 12, 2017. If the applicant does not already have residence in Turkey following the acquisition, such applicant should first apply for a residence permit before applying for citizenship.

The citizenship application process takes around five to seven months, depending on the work load of the authorities. Based on our experience so far, we believe this timescale can be shortened to three to four months, although, when added to the residency permit procedure, the whole process might take around 10-11 months.

Legally speaking, an investor can buy property anywhere in Turkey, but we have witnessed that foreign buyers mainly prefer properties in Istanbul, Bursa, Antalya, Muğla, Yalova and other touristic cities.

Netherlands – Edo Smid (ES) There is a minimum real estate investment of EUR1,250,000 required by a non-EU citizen to acquire a resident's permit in The Netherlands. That amount does not include real estate used for private occupation.

To qualify as tax resident there is need to register, but the main advantages of Dutch residency are access to the rest of the EU, plus leave to remain for a minimum of five years, depending on status of resident and applicable bilateral treaties.

Brazil – Cristiano Carrion (CC) Brazil does not have any program for granting citizenship to foreign investors who acquire real estate property in the country. However, the new immigration law, in force since November 2017, grants residence permits to foreign investors who invest in companies with potential for employment and income generation in Brazil.

It should be noted that under past legislation, the amount of investment required amounted to USD150,000. Currently, due to the recent legislative amendment, there are no established parameters.

It is important to mention that Brazilian law should be applied to regulate the rights of properties located in Brazil, even if owned by foreigners.

Blanca Loring pictured at the 2017 IR DealMakers Conference in Barcelona

QUESTION 2

What is the policy around taxation of assets if a HNW takes residency in your jurisdiction? What strategies can be used to mitigate tax when transferring international real estate assets?

US – CH In the state of Wyoming, there are no allowable state taxes. That includes wealth tax, capital gains tax, inheritance tax or real estate transfer tax.

This is the reason we call it an onshore tax haven. We are not an island, but none of those taxes are applicable at state level. All Federal taxes do still apply though, uniformly across the 50 states.

It is this mitigation of state tax that makes it attractive to locate in Wyoming, which can lead to savings of up to 13 per cent.

Spain – BL Spain is not an attractive destination from a tax perspective, but this is not the reason to invest. Even with an unhelpful tax policy, people like investing here because it's safe and European. We have an attractive quality of life with good food, weather and culture. Non-Europeans also have the benefit of residency in Europe and access to the Schengen area.

Spanish taxes are quite high, similar to other European countries, but you only become tax resident if you live in Spain for more than 183 days. If you live here less than that, you won't be tax resident.

We don't have the concept of resident non-domiciled, which exists in England. If an individual becomes tax resident, they have to inform the Spanish authorities about all their assets, income and profits worldwide.

There are different percentages for income and capital gains tax, depending on whether you are tax resident. We also have wealth tax, inheritance tax and real estate transfer tax.

Non-residents' income tax is levied on any income obtained in Spain by the taxpayer (rentals, dividends from a Spanish

company, salaries). The tax rate for EU citizens is 19 per cent, whereas non-EU citizens pay 24 per cent. These same respective tax rates are applicable to non-residents' capital gains tax. Another disadvantage for non-EU citizens is that they cannot offset their incomes with related expenses.

Non-residents holding a house in Spain must pay a notional income tax of 1.1 per cent of 19 per cent or 24 per cent of the cadastral value of the property. If the house is effectively rented, the owner must pay the tax rate on the rentals received.

Non-residents must also pay wealth tax for the assets held or to be exercised in Spain. There is a tax allowance of EUR700,000 per taxpayer. The tax is calculated using a sliding scale that could increase the effective tax rate per annum from 0.2 per cent to a maximum of 2.5 per cent. Spanish tax residents have the same tax allowance but their main residency is exempt. The taxable base is made of their worldwide assets.

When buying a property in Spain, the buyer, having in mind inheritance tax, may opt to buy the property in joint names with their spouse and children. As long as the children are not under age and the money used by these children and the spouse came from outside Spain, there is no risk of tax gift being claimed by the Spanish Tax Office.

Turkey – TY The tax treatment doesn't change when you become a Turkish citizen, because income tax is only applicable if you sell the property within the first five years as per the current legislation. If you do sell the property during that period, you may be exposed to income tax. As stated earlier, you should not sell the property for three years following the purchase, if you wish to remain a citizen.

Each of the seller and the buyer pay 2 per cent of the purchase price as a land registry fee. Additionally, subsequent to the acquisition, real estate tax is paid by the owner annually depending on the real estate tax basis amount of the property.

If it is intended to establish a property company and then to sell shares in a special purpose vehicle (SPV), double taxation treaties need to be analysed between the investor's jurisdiction and Turkey.

Netherlands – ES Privately held property is not taxed, except for relatively modest municipal levies and ownership charges. Ultimate beneficial ownership (UBO) information needs to be disclosed in accordance with EU regulations, but The Netherlands has no publicly accessible UBO registration in place yet.

Personal income tax is levied at progressive rates up to 50 per cent of the taxable base. Alimony and interest on loans for residential property are deductible for resident tax payers, while expats may be excluded from progressive taxation if they qualify and obtain a so called '30 per cent income' tax ruling. Furthermore, The Netherlands tax system does not apply capital gains tax to individuals.

Legislation assumes fixed income derived from private assets (exclusive of residential property or company shares) of between 2.9 per cent and 5.4 per cent. Income tax of 35 per cent is levied on this income, although expats may be excluded from this with the 30 per cent tax ruling.

The Netherlands levies inheritance tax on its nationals (residents and those who left the country less than 10 years before they died). The Netherlands also levies inheritance tax on foreign residents if certain conditions are met and if no bilateral treaty applies.

In the Netherlands, a tax rate of 6 per cent applies on real estate transfers, except for transfer of residential property where a rate of 2 per cent applies. This transfer tax may also be due on the sale of companies owning substantial property (70 per cent or more of the balance sheet).

Property developments may be exempt from transfer tax, but this area is highly technical and requires specialist tax advice.

Brazil – CC For acquisition of property in Brazil, the buyer is subject to the payment of real estate transfer tax (ITBI) at the rate of 3 per cent (Municipality of Porto Alegre), which may vary depending on the municipality where the property is located. In addition, there is an obligation to pay the IPTU at a rate between 0.85 per cent and 1.10 per cent of the value of the property (Municipality of Porto Alegre), which may again vary depending on the municipality in which the property is located.

In the event that the real estate invested obtains income from leasing, there will be an incidence of personal income tax (IRPF) on the amounts received at rates ranging from 7.5 per cent to 27.5 per cent, depending on the value of the lease. In this case, it is possible to set up a company to administer the receipt of the amounts. Taxation would then be 14.54 per cent on the amounts received.

If the property investment is intended for purchase and sale operations, the IRPF tax is levied on the capital gain, the difference between the acquisition value and the sale value, at rates between 15 per cent and 22.5 per cent, depending on the amount of the capital gain earned. On the other hand, if this operation is carried out by a company, there will be a 34 per cent tax on capital gains.

QUESTION 3

What are your views on the ethical / moral standpoint of selling citizenship or residency in exchange for real estate investment? How does your jurisdiction monitor the source of investor funds?

Spain – BL It is not compulsory to create jobs as part of the Spanish investor programme, but in an indirect way it does create jobs, because if you buy a plot and build a house you will hire people, such as architects, builders, housekeepers and gardeners.

When investors come to Spain, they usually spend money in restaurants and shops and sometimes make additional investments.

There are some countries in Europe that sell citizenship programmes to investors, allowing them to effectively buy a European passport. They don't need to integrate into the country, or learn the language, and there has been a debate in the EU around whether this was ethical or not. Most countries don't agree with it and neither do I.

It is one thing to grant a residence permit to an investor, and another thing to grant citizenship. If you want to become a national, it is important to know the customs and history of a country, plus its language. If this is not a requirement, then a country doesn't value itself highly enough.

There are very strict controls about where investor monies come from for real estate investment. It cannot come from a tax haven and the investor must explain clearly where it originated from. For applying for any residency permit, the Spanish law requests criminal record and background checks from the countries in which the investor has been living for five years prior to applying for the residency.

US – CH At the national level, getting US citizenship is difficult, time consuming and expensive. Transitioning between states, however, is easy for a foreign national who wants to domicile here; they can choose to live wherever they want to. Issues of job creation and job dispersal are not that relevant to state and tax issues.

With regard to money laundering, proceeds of crime and controls; the state legislation is more relevant. The US lags very far behind Europe when it comes to Know Your Customer (KYC) regulations and source of funds. Once you are in the US and your money is here, there are no controls when it comes to real estate transactions, and limited control as to the source of funds when opening a bank account.

Wyoming is a mineral rich state. We supply coal and are also the largest producer of oil in the country. We are known as the Saudi Arabia of the US and we have a very good infrastructure and standard of living because of that, all paid for by the tax on mineral royalties.

Having the ability to draw in high net worth (HNW) individuals is a real benefit to the state. There are a lot of major US corporations headquartered in Wyoming, even though they have no business presence here, because there is no state corporation tax.

Turkey – TY The investor programme is expected to bring a lot of foreign currency to Turkey. There is a considerable demand from the Gulf area, but it is not yet that easy to conclude how this will unfold because the legislation is so recent.

As well as residency, there are other paths to citizenship, such as job creation. If you employ 100 people, you are entitled to citizenship – it will be interesting to see how this develops.

With regard to source of funds, Turkey does not monitor how money is injected into the property market, or where it comes from.

Further investigation is only done as part of the military's internal process. Under Turkish law, a foreign person acquiring property needs to go through an internal military clearance process. But this was amended recently for property purchases in some of the cities such as Antalya. The state will not investigate in these areas, but if you want to buy in Istanbul, Ankara or Izmir, you will be subject to the clearance process again.

Netherlands – ES The effect of investor residency on jobs is very limited in The Netherlands, although it is always useful to have wealth arrive in your country. If it wishes to, The Netherlands is a sovereign country and has the power to tighten border control against the Schengen agreement.

With regard to source of funds, banks in The Netherlands apply strong UBO and politically-exposed persons (PEP) checks that require a proper understanding of source of funds. Foreign, non-EU, clients will not easily be accepted if they seek to open new investment or savings

Cristiano J. Carrion pictured at the 2017 IR Annual Conference in Berlin

accounts. Residents will usually already have access to current bank account and credit card facilities.

Dutch banks are required by law to automatically notify a government agency about unusual or suspect monetary transactions. Those banks report interest accrued annually on bank accounts to the tax authorities of countries within the EU, and potentially to other countries on a bilateral basis or during criminal investigations.

Brazil – CC The granting of citizenship and residence to a foreigner in exchange for real estate investment, may conceal the escape of criminals from other countries and the laundering of money, making it difficult for the authorities to press charges against them. Thus, the relationship with the investment and with the foreigners themselves may be a grey zone, ethically speaking.

Nevertheless, foreign investments in the real estate area may help boost the local economy and the development of the country. In addition, it generates cultural diversity by bringing in people from other walks of life. The establishment of some criteria to analyze the potential residents and their financial resources are enough to turn real estate investment into something not only ethical but also welcome and beneficial to individuals and countries.

Although Brazil does not grant residence when a foreigner purchases property, the law grants the immigrants equal access to services, programs, and social benefits as well as public law assistance, work, housing, bank services and social security. Furthermore, the Brazilian state reproves xenophobia, prohibiting collective deportation and restricting extradition.

QUESTION 4

Where do the majority of investors come from and why do they invest abroad in order to get another residency or citizenship?

Spain – BL Most investors come from China, Russia, the Arab countries and South America. We also have investors from Turkey and the US – each has different reasons to invest in Spain. Chinese investors were focused on investing in countries like Canada and the US, but that has become harder, at the same time as European countries made it easier.

Russians love Spain, as do people from Arab countries such as Saudi Arabia, Qatar and Dubai. Now the political situation is complicated in that part of the world, they like to invest here just in case things go wrong. It means a safe place to go, while, in the meantime, they can come freely to Europe.

Many people from Venezuela come to Spain, because the situation there is complicated. Spain has a close relationship with that country because many Spanish people went there after the civil war or even before, because of the economic opportunities that were there at that time. As a result, many Venezuelans have grandparents who are Spanish.

From an educational perspective, there are many English schools in Marbella and the cities of Barcelona and Madrid, offering children an English education.

US – CH People choose Wyoming because of the tax advantages of domiciling here. When investors come from abroad they do not particularly seek out investment opportunities in Wyoming, but they will seek to invest elsewhere in the US including California or New York. They can invest anywhere, but keep their domicile in the state of Wyoming to avoid state taxes in other jurisdictions.

Certain investment placements that are made in taxing jurisdictions, such as an equities portfolio in New York, but domiciled and administered in Wyoming, will increase in value net of state tax.

We are seeing more high net worth individuals (HNW) who move from abroad, coming to Wyoming and bringing their capital with them.

Turkey – TY Most of the investors in Turkey come from the Gulf area; countries such as Saudi Arabia, Iran, Africa, Egypt or Qatar.

These are foreign people seeking a more established and secure country, but also a country with a familiar culture. Most people in Turkey are Muslim, which makes investors from Arab states feel closer to home.

Rather than tax or fiscal reasons, one can easily argue that those people want Turkish citizenship for reasons of security, society and culture. Turkey is ideal, because it is closer to Europe than the Middle East, but with a relatively similar culture.

Netherlands – ES In the Netherlands Chinese investors are increasingly active, as in the rest of Europe. They generally focus on business investment in residential property, hotels and logistics in the greater Amsterdam/Rotterdam area.

They are usually seeking a better quality of life, where a dominant aspect is comfort, safety, medical facilities, culture and art.

Education is of a high international standards and many foreign students find their way to The Netherlands because of its colleges and universities.

There are also tax advantages for holding companies in The Netherlands as part of tax structuring, and, to a lesser level, that also applies to resident foreigners. As a result, pre-entry tax advice is recommended to prevent foreign assets being assessed as part of their Dutch income/wealth tax base. It is also important to take into account double taxation tax treaties with certain countries.

Brazil – CC The main foreign investors in Brazil come from the United States, Spain, Belgium, Italy and the United Kingdom. The main attraction at the moment, for these foreign investors, is the favourable foreign exchange rate (1 BRL = 3.24 USD / 1 BRL = 3.95 Euro), and the basic interest rate of 7 per cent per year, which is considered high in relation to other countries.

Foreign investment has been good for Brazil, because the country has vast natural resources but is lacking infrastructure works. International investors have taken advantage of the currency advantages and contributed money to these sectors.

Finally, there are also important foreign investments in the exploration and development of tourism in Brazil, mainly in the coastal regions of the Northeast.

QUESTION 5

What are the specific immigration requirements in order to attain citizenship in your jurisdiction for any foreigner (independently of whether or not they are an investor)?

Spain – BL To become Spanish, you need to pass two tests. One is about culture, customs and history, while the other is a language test with written, verbal and listening sections.

In my experience, for most foreigners it is easy to pass these tests. However, there are some foreigners who find it difficult, such as women from Morocco who are housewives and don't integrate into the country or speak the language well. This also applies to Asians who live in the Costa del Sol and have English as a second language, rather than Spanish.

The general rule for citizenship is 10 years of legal and effective residency, unless you are from an historic colony of Spain, such as South America, where it is only two years.

There are some special ways to become Spanish, such as the Spanish citizenship for the descendants of Sephardic Jews. They can be granted citizenship without having lived in Spain if they can prove they have Jewish Sephardic surnames. They will, however, have to pass the language and culture tests.

Turkey – TY There are no citizenship tests or language requirements in Turkey as per the current legislation.

As to Turkish residency, if you have not acquired a property for USD1 million, but say USD300,000, you are still entitled to apply for citizenship, but you need to be resident for eight years without interruption.

Netherlands – ES Any resident of at least 18 years of age may apply for Dutch citizenship, but, in general, a second nationality is prohibited and an earlier nationality will have to be abandoned unless (various) exceptions on losing an earlier nationality may apply.

You need to have spent a minimum of five years as a permanent resident holding a valid residency permit, before applying for citizenship.

There are certain minimum levels of Dutch language skills required (understanding, spoken and written) and also a formal 'residential test' has to be successfully passed. In addition, there is a criminal history test. An applicant should not have been imprisoned during the past four years and should not have been fined more than EUR800 for a misdemeanour.

Brazil – CC The Brazilian Federal Constitution grants citizenship to any natural person who has resided in Brazil for more than 15 years and has no criminal conviction in that period. The term reduces to four years in the event that the person communicates in Portuguese.

Brazilian law does not distinguish between naturalised and non-naturalised citizens, except in certain political and national security positions. Until the entry into force, in November 2017, of the current immigration law, foreigners who had property in Brazil had the right to naturalisation after three years of residence in the country. This benefit is not included in the current legislation.

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