

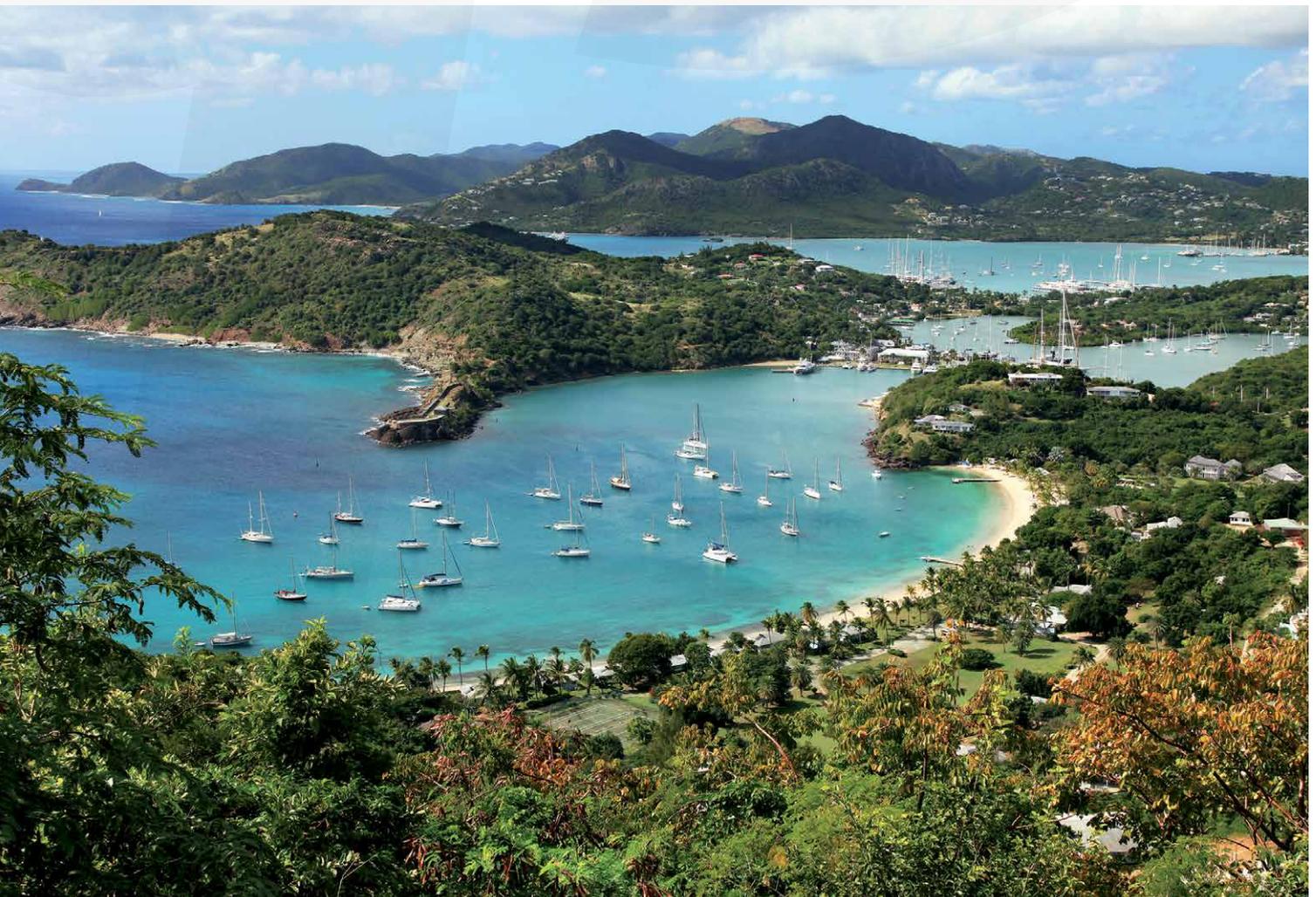
Antigua and Barbuda Citizenship-by-Investment Program

The Antigua and Barbuda Citizenship-by-Investment Program, which the Government of Antigua and Barbuda announced at the annual *Henley & Partners* Global Residence and Citizenship Conference in November 2012, was passed by both Houses of Parliament in March 2013. The laws regarding the Antigua and Barbuda Citizenship-by-Investment Program are contained in the Antigua and Barbuda Citizenship-by-Investment Act, 2013 and the Antigua and Barbuda Citizenship-by-Investment Regulations, 2013.

Antigua and Barbuda is an independent Commonwealth state in the Eastern Caribbean. With some 365 beaches of clean clear turquoise waters, the lush tropical island of Antigua is an inviting paradise and considered to be one of

the most beautiful places in the world. As a result, tourism is the key driver of GDP and generates around 60% of the island's income, with key target markets being the US, Canada and Europe.

Antigua is a member of the United Nations (UN), the British Commonwealth, CARICOM and the Organization of American States (OAS), among many other international organizations. Holders of the Antiguan passport enjoy visa-free travel to approximately 134 countries, including the UK, Canada and the countries of the Schengen area. Holders of this passport, like all Caribbean countries, do require a visa to enter the US as they are not a member of the Visa Waiver Program.



Requirements

The Antigua and Barbuda Citizenship-by-Investment Program requires a person to make a significant economic contribution to the country. In exchange, and subject to a stringent vetting and due diligence process, including thorough background checks, the applicants and their families are granted citizenship. To qualify for citizenship, the main applicant must be over 18 years of age, meet the application requirements and select one of the following three options available:

- An investment of at least USD 400,000 into one of the approved real estate projects. Such investments cannot be disposed of within the five-year period, or before the proposed real estate project in which the investment was made has been substantially completed
- An investment of a minimum of USD 1.5 million directly into an eligible business, either as a sole investor or via a joint investment involving at least two persons in an eligible business totalling at least USD 5 million, and each of those persons individually invests at least USD 400,000
- A contribution to the National Development Fund (NDF) of a minimum non-refundable amount of USD 200,000

The NDF is a special fund established under section 42(2) of the Finance Act 2006 for the purpose of funding government sponsored projects, including public-private partnerships and approved charitable investments which deliver services in healthcare, education, environmental management, youth development or the promotion of sport and culture.

Under each of these options, there are government processing fees of USD 50,000 for the main applicant plus additional government processing fees of USD 50,000 for the spouse, any dependent child between 18 to 25 years of age and any dependent parent over the age of 65 years, as well as USD 25,000 for each dependent child under 18 years of age.

The NDF contribution for a single applicant is USD 200,000 and the processing fee is USD 50,000.

The NDF contribution for a family of up to four persons is USD 200,000 where the main applicant and spouse processing fees are USD 50,000 each and the two youngest dependents are free.

For a family of five or more persons, the contribution is USD 250,000 where the main applicant and spouse processing fees are USD 50,000 each and the three youngest dependents are free. (Regular fees apply to all additional family members.)

There are also due diligence fees of USD 7,500 for the main applicant and USD 7,500 for the spouse, USD 2,000 for any dependent child of 12 to 17 years of age and USD 4,000 for any dependent child of 18 to 25 years of age as well as any dependent parent over the age of 65 years.

The main applicant and their dependents must have a clean personal background, and not having received a free pardon, having at no time been convicted in any country of an offence for which the maximum custodial penalty is in excess of six months' imprisonment. The regulations further provide that a person who has been denied a visa to a country with which Antigua and Barbuda has a visa-free travel arrangement and has subsequently not obtained a visa to the country that issued the denial, shall not be entitled to apply under the program. A person who is deemed a potential





national security risk, a reputational risk or is subject to criminal investigation will also be denied citizenship.

Procedures and Time Frame

The government authority responsible for administering the program, the Citizenship by Investment Unit (CIU), is responsible for the processing of all applications. The CIU examines the application thoroughly and, if deemed necessary, may request the applicant to attend an interview.

The CIU undertakes strict due diligence checks and will decline an application if the applicant makes a false statement or omits any relevant information in the application. The documentary requirements of the Antigua and Barbuda Citizenship-by-Investment Program are reasonable and the procedures are quite straightforward. Once the application is approved, passports can be collected in Antigua and Barbuda. It is estimated that the process will take between three and four months from submission of the application to issuance of the passport, assuming there are no areas of concern with the application.

Under the real estate option, the time frame may vary depending upon the project. Therefore, it is important to select a real estate project that is able to provide the necessary paperwork required from the developer for the citizenship application.

Dual Citizenship

There are no restrictions on dual citizenship in Antigua and Barbuda.

Taxation

There are no capital gains or inheritance taxes in Antigua and Barbuda. Personal income tax was abolished in July 2016. Individuals who have their permanent residence in the country or who are present for at least 183 days a year will qualify as residents of Antigua and Barbuda. Persons will not be taxed on worldwide income if simply holding citizenship and are not resident in Antigua and Barbuda. Individuals

who are in the country temporarily will only be taxed on income arising in or derived from Antigua and Barbuda. However, proposed amendments to Part III, Section 5 of the Income Tax Act will change taxation on worldwide income to taxation limited to locally sourced income.

The business and corporate tax rate is 25% of net profits, although attractive concessions are available to qualifying companies such as a tax holiday on profits up to a 20-year period and import/export customs duty waiver.

A sales tax similar to VAT is applicable at a standard rate of 15% which is levied on local consumption. Some exemptions exist and transitional rates also apply to certain areas, i.e. 10.5% or 12.5% to hotel and holiday accommodation. Antigua and Barbuda Sales Tax (ABST) was introduced in 2007 and replaced a number of other taxes. The current threshold for business registration under ABST is an annual turnover of XCD 300,000 (although other variables also apply, so this is an approximate figure).

Property tax is levied on all properties. The taxable value is based upon the property's current market value construction replacement cost with the applicable tax rate dependent upon the classification of the property (residential or commercial).

Key Advantages

- An Antigua and Barbuda passport provides visa-free access to approximately 134 countries including the UK, Europe, Canada, Singapore and Hong Kong
- Full citizenship with passport is granted to the applicant and family
- Antigua and Barbuda is a member of the Commonwealth. This entitles citizens to certain privileges in the UK, and other member states
- Antigua and Barbuda is an attractive place to live or to own a second home, with excellent air links to North America and Europe

Henley & Partners is the global leader in residence and citizenship planning. Each year, hundreds of wealthy individuals, families and their advisors rely on our expertise and experience in this area. Our highly qualified professionals work together as one team in over 25 offices worldwide.

The concept of residence and citizenship planning was created by Henley & Partners in the 1990s. As globalization has expanded, residence and citizenship have become topics of significant interest among the increasing number of internationally mobile entrepreneurs and investors whom we proudly serve every day.

The firm also runs a leading government advisory practice which has raised more than USD 6 billion in foreign direct investment. We have been involved in strategic consulting and the design, set-up and operation of the world's most successful residence and citizenship programs.

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