

The Power of a Second Passport

Your Path to Global Freedom
and 3 Ways to Attain One Fast



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By Ted Baumann

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Why Should You Get a Second Passport?

By Ted Baumann

I've always been the impatient type. So, when I started thinking about international travel as a young man, I wasn't prepared to wait until after I had become successful and wealthy. (Of course, there was no way to know if that would even happen.)

That's why I jumped at my first opportunity to go abroad. I wasn't long out of high school, dithering through a couple of college semesters. I didn't feel motivated by anything except wanderlust. That's how I found myself at the tip of Africa, 9000 miles from my birthplace, at a relatively tender age.

The rest—for me at least—is history. And it turns out that more and more young Americans are determined to follow me.

If you spend your days immersed in the second citizenship industry as I do, you quickly become aware of a distinct bias. Almost everything is written with older and richer people in mind. It's assumed that the only people interested in second passports are so-called “high net worth individuals”—people who've already made their fortune and are looking for ways to diversify and protect it.

It's true that many successful older Americans are waking up to the benefits of a second citizenship and passport. But an increasing number of younger folks are coming to the same realization.

There are many reasons for this newfound interest in global diversification on the part of America's young adults. One is discontentment with the current state of American politics. Another is the vast amounts of debt required to get ahead. A third is the sense that quality of life is moving backward.

But the number one factor is the Internet.

Americans under 40 grew up in a digitally connected world. Their perceptions of distance and accessibility are shaped by the fact that nearly everything, everywhere, is right in front of them all the time. Unlike those of us who grew up with snail mail and National Geographic, this generation is already globally diversified—mentally speaking—thanks to the Internet.

Younger Americans are also used to making a living digitally. Even if they work in an office, most of what they do is transmitted across the Internet. They know modern work can be done from anywhere on the planet. They don't feel attached to specific places the way older generations are. That's why younger American workers are at the forefront of the push for remote work.

Then there's the rise of freelancing and self-employment. Younger Americans have never known a job market where people sign on with a company, stay a lifetime, and retire on a defined-benefit plan. They're used to job-hopping, freelancing, and "side hustles." Many of them have already accumulated substantial wealth via cryptocurrencies and other digital industries that didn't exist a generation ago.

Together, these factors create a natural openness to the idea of living and working abroad. And whether they intend to or not, increasing numbers of young Americans who have spent some time overseas are finding that their pathway to a second passport is easy and cheap.

Consider, for example, that anybody who lives most of their time on a resident visa in Portugal, Ireland, Luxembourg, France, the Czech Republic, or Uruguay can acquire citizenship by naturalization after just five years. Brazil is four years. If you settle in Canada, Israel, Poland, Honduras, or Ecuador, it's only three years. And if you have lived for at least two years in Puerto Rico, you can acquire Spanish citizenship after only two years of residence.

Most of those countries offer some form of "digital nomad" visa. So do many other countries where the pathway to a passport is longer. At last count, 54 countries allow digital nomads to get a foot in the door to potential citizenship.

Using this pathway to a second passport turns the conventional process on its head. Instead of toiling away for most of one's lifetime to accumulate the resources needed to buy one, younger Americans can simply ply their trades abroad, bide their time, and eventually acquire citizenship as their lives progress.

If you're already of "a certain age," citizenship by descent or investment is a perfectly viable option.

But if you're still on the upward part of life's curve, acquiring a second passport could be as easy as applying for a visa, booking a plane ticket, and settling into a life abroad!

About the Author

Ted Baumann is *International Living's* Global Diversification Expert. He's traveled to nearly 90 countries and is a dual citizen of the United States and South Africa. He has one mission: to help members like you understand the best options for diversifying your life internationally, so you can create more freedom for yourself in the way you live, work, and invest.

Ted has created a special resource—his **Global Citizen Prosperity Blueprint**—to introduce you to the kinds of overseas opportunities that are out there and to show you how you can make them work for you.

And I've written up a full gameplan for you that I'd like to share.

At its core, the **Global Citizen Prosperity Blueprint** is all about diversification. It's about minimizing risk and maximizing wealth, safety, and freedom. If you'd like to learn more, check out Ted's **Global Citizen** service [here](#).

Portugal

To date, Portugal is easily one of the most popular retirement destinations for *International Living* readers. That's not only due to its welcoming golden visa program... But Americans' rapidly increasing interest in second passports.

Portugal offers citizenship by ancestry if you have a Portuguese parent or grandparent. There are also special fast-track citizenship options for descendants of Portuguese Sephardic Jews. But although there are pockets of Portuguese Americans, particularly in New England, it's a relatively small group. That means most people will approach Portuguese citizenship through naturalization.

The first step is to acquire long term residency through one of the visa options. If you remain primarily a resident of Portugal for five years, are integrated into the community, and speak passable Portuguese, you can apply for citizenship. (If your residency permit is based on investment, you only must be physically in Portugal for seven days out of each of those five years.) The application fee is €250.

A Portuguese passport gives you full access to the European Union, just like Italy and Ireland. It gives you access to 167 countries with no visa requirement. Dual nationality is accepted.

The Portuguese tax system is immigrant friendly. Foreigners on long term residency visas can opt for nonhabitual residency status, which exempts taxes on foreign income, and taxes Portuguese earnings in certain occupations at a flat rate of 20%. Foreign pension income, however, is taxed at 10%. Portugal has a double taxation agreement with the US, so any Portuguese taxes will be offset against your US tax obligations.

Portugal does have municipal taxes to fund basic services, as well as a value added tax. The VAT is quite high, at 23%. But overall, Portugal has one of the lowest costs of living in Europe. One reason for that is relatively low disposable incomes for Portuguese natives. Compared to the US, the cost of living is 50% to 60% less overall.

Some of the great attractions of life in Portugal are the climate, natural environment, culture, and cuisine. Everyone who spends time in the country comments on its “laid back” culture, which seems to be one of the main attractions for American expats living there. Much of the country is subtropical, with life on the seaside a major plus. But the interior is also exceptionally beautiful. Portuguese cuisine is dominated by seafood, but beef is also popular.

In recent years, there’s been a lot of talk about the rising costs of living, especially housing, in the coastal cities. The impact of rising housing costs on native Portuguese was the prime reason for the termination of the residential golden visa option. But the Portuguese interior is full of charming villages with homes ripe for renovation, just like the other European countries covered in this report. Under current proposals at the time of writing, these areas will still be available for residential golden visas as long as one commits to renovating a property with some historic value.

Here’s How to Gain Citizenship Quickly in Three Different Countries

Until recently, it was rare to read about Americans seeking a second home abroad who weren’t gazillionaires—those who could buy passports by the dozen, or the lucky descendants of Europeans whose countries grant citizenship through semi-distant ancestry.

Between those two extremes, many folks struggle to see a path to a Plan B overseas.

Second passports via investment or ancestry are often quick and easy. But they're hardly the only way. In fact, most people who get a second citizenship are like me: they're naturalized in a foreign country after having lived there for an extended period.

For many people, citizenship via naturalization is the cheapest and easiest route to a second passport. It's *cheap* because if you're living abroad, you're spending money you would've spent at home anyway. It's *easy* because the only resource you need to succeed is time.

In this report, I'll tell you about three countries that offer this quick pathway to a second passport.

But first, let's take a look at what naturalization actually means...

What is Naturalization?

Uruguay—a.k.a. the “Switzerland of South America”—has a unique constitutional approach: it distinguishes between “nationality” and “citizenship.”

According to the Uruguayan Constitution, *nationality* is a consequence of birth or descent, whereas *citizenship* is a legal relationship between an individual and the Uruguayan state. The logic behind this is familiar to every European-descended person in the southern cone countries of South America.

Although Chile, Argentina, Paraguay, and Uruguay started out as Spanish colonies, in the 20th century they welcomed millions of immigrants from other parts of Europe. In Montevideo, Asuncion, or Buenos Aires, for example, you're just as likely to meet someone with an Italian, German, or Irish surname as Spanish.

All these countries are like the United States in the sense that they're melting pots of many different nationalities who've forged a single citizenship under a common government. That experience leads them to distinguish between political citizenship and cultural nationality. It also makes them open to new members of their national community via naturalization.

At the other end of the spectrum, countries like Japan and India continue to fixate on the fusion of nationality and citizenship. You can become Japanese or Indian via naturalization, but it's difficult, and you must surrender any other citizenship in the process. Even then, most locals only accept the idea of foreign-descended citizens with reluctance, if at all.

Naturalization is the legal act or process by which a non-citizen of a country may acquire citizenship. Every country has its own process, but it typically involves a promise to obey and uphold that country's laws. It may also involve demonstrating language skills as well as knowledge of the country's history, culture, and the system of government.

In almost every instance in the modern era, people are naturalized as citizens of a country after a period of legal residency. The required time varies from as little as two years to as long as 35. Some countries require the residency to be continuous; some allow extended periods of absence.

The most common period of residency prior to naturalization is five years, which is the law in 79 countries. The second most common is 10 years (43 countries), followed by seven (23 countries). 15 countries offer a pathway to naturalization with less than five years of legal residency.

But note that *residency* means different things. In some countries, residency can include periods spent on other types of visas, such as business or tourism. In others, it means permanent residency, i.e., having a permit to remain in the country as long as you like without being a citizen.

So, even if a country offers speedy naturalization, it can be tricky getting a permit for extended residency first (more on this below).

The great thing about naturalization as a pathway to citizenship is that the only resource it requires is time. You simply live in a place long enough to qualify. Again, since you'd be spending money on living expenses anyway, this can be a fantastic opportunity for many people who don't have enough funds to buy a passport or lack the right ancestry.

Below, I'll tell you about three countries that offer rapid pathways to citizenship via naturalization.

Canada



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Periodically, Americans fed up with their politics threaten to “move to Canada.” Few do, but if they tried, they’d find it isn’t as difficult as many believe.

America’s northern neighbor is traditionally welcoming to immigrants. As a highly developed economy with a low birth rate, and a founding tradition of multiculturalism, the country has no qualms about welcoming newcomers. In fact, whilst the US has been cracking down on immigration, Canada has added about 250,000 immigrants every year over the last decade.

Canadian law allows immigrants to apply for citizenship and a passport after three years of legal residency. The applicant must have been physically present in Canada for 183 days (six months) of each of those years. Helpfully, any time spent as a temporary resident is counted as 1/2 day towards this requirement, up to a maximum of 365 days, or two out of the three required years.

Applicants for naturalization had to have filed Canadian income taxes for three of the preceding five years. Those between the ages of 18 and 54 must demonstrate proficiency in either English or French and pass the Canadian Citizenship Test.

Canada is particularly welcoming to skilled workers and entrepreneurs. The Express Entry immigration system is designed to encourage such applicants.

Foreigners who want to immigrate complete an online profile. The database of profiles is point-scored and searchable by Canadian employers, who can reach out directly to qualified candidates with job offers.

This is a very different system than the traditional, first-come-first-served model that Canada (and the US) has long followed. In fact, it is far easier and faster for skilled workers to immigrate to Canada than to the US. Applicants can wait years for a US “green card.” In Canada, the average wait time is six months.

In addition to the national Express Entry program, the semi-autonomous French speaking province of Québec has its own immigrant investor program. The Québec Investor Program (QIIP) has few restrictions on age, language, or education. If you have owned a business or have managed resources and/or people and have a net worth of CAD\$2 million (US\$1.5 million), and are over 46 years of age, you qualify to apply. Other Canadian provinces have similar programs, although not quite as welcoming as Québec's.

The Canadian passport is one of the most respected in the world, allowing visa-free entries to 186 countries. Moreover, Canadians are citizens of the British Commonwealth, which gives them special privileges in other Commonwealth countries, including access to an emergency British passport if they lose theirs when abroad.

Is Canada right for you?

On one hand, Canada is understandably very close to the US politically and diplomatically. The two economies are completely intertwined, which usually makes Canada cooperative when the US government asks for it.

On the other hand, Canada has a more “European” political culture. The country has a strong social safety net, including a public health system. That helps offset the cost of living, which is similar to that in the US.

If you're looking for a second passport that would give you a Plan B in the closest haven to the US (along with Mexico)—and you can handle the weather—Canadian citizenship may be just the ticket.

Australia



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Historically, Australia has been viewed as a difficult place to get into. The country was one of the last ex-British colonies to lift restrictions on immigrants of non-European descent. But like Canada, a declining birth rate has made the country more open to immigration, especially given the success of welcoming many Hong Kong immigrants in the aftermath of China's takeover in 1992.

At the end of 2020, nearly 30% of Australia's population was foreign born. The country opened its borders to about 195,000 new migrants that year, bringing the total to 7.6 million. The number is dominated by immigrants from the United Kingdom, but India and China were close behind.

Australia grants citizenship by naturalization after four years of legal residence, only one of which need be as a permanent resident. That makes an Australian passport a natural target for people who have employment or business interests in the country.

On the other hand, applicants must not have been outside of Australia for longer than 12 months in the preceding four years, and not more than 90 days in the final year. Applicants between the ages of 18 and 59 must complete a citizenship test as well as demonstrate competency in the English language.

Australia has a variety of pathways to permanent residency—43 to be exact.

The most traditional route is to be sponsored by an Australian employer who certifies they can't find a local with the skills and experience they need. If you can get a job in Australia, and you keep it for four years, you can apply for citizenship immediately.

But in recent years, the Temporary Skilled Shortage Visa has become increasingly popular. If you're granted a medium-term visa on this track, you can qualify to apply for a transitional visa to permanent residency after three years.

A second set of visas is available to skilled migrants. Like Canada's system, this visa is points-based—meaning it tallies age, skills, experience, and English language skills. The Skilled Independent Visa gives you immediate permanent residency and is available to those under 45 who score at least 65 points on the system, and who have an occupation listed on the Skilled Occupation List.

A variant of the Skilled Visa involves being nominated by a state or territorial government, as in Canada. It involves submitting an expression of interest to the specific state or territory in question, for example, New South Wales or Queensland. You must also be under 45, score 65 points, and have an occupation on the approved list.

A third cluster of visas is granted to businesspeople seeking to establish operations in Australia. Once your application to establish a business is approved, you're allowed to live and work in Australia for three years, after which you can apply for permanent residency.

Australia also has a special visa subclass for property developers. Sponsoring Australian developers will allow you to form or join a property development company with them. With the support of a state or territorial government, you can apply for a three-year work visa, which transitions to permanent residency in the fourth year.

The Australian passport is another powerhouse in terms of visa-free access to other countries. It's ranked number seven in the world, with 187 countries allowing Aussies in without any prior application. It's also a Commonwealth passport, with the same advantages as Canada.

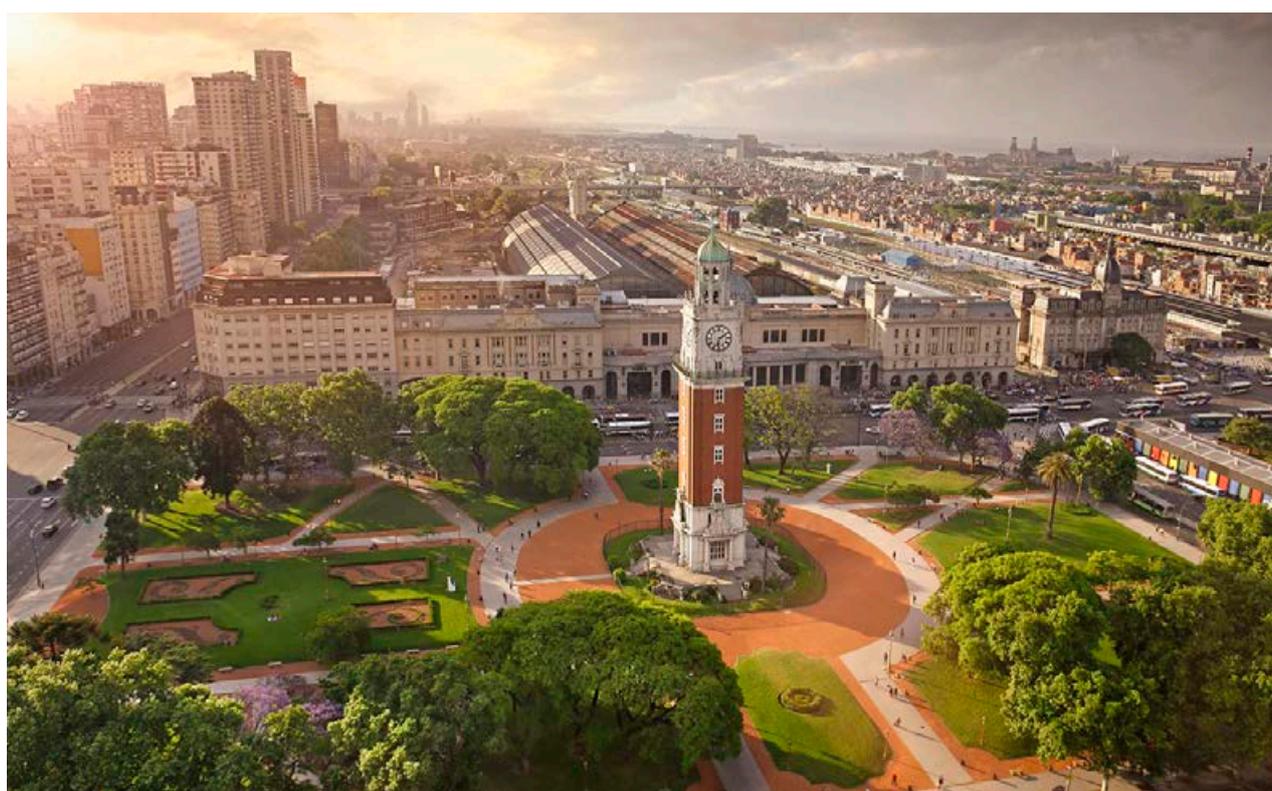
Is Australia right for you? I've visited the country and have many friends there. It has a distinct culture that's a bit rough around the edges. It's a "frontier" society, much like that of the western US—although Aussies are more brash. Its wide-open spaces and endless coastline make it heaven for outdoorsy types. But its major cities, including Sydney, Brisbane, and Perth, are as cosmopolitan as any place on earth.

Reflecting its British roots, the country has a strong social welfare system. The cost of living compares favorably to the US, especially outside the major cities. The country has excellent schools and universities, a strong economy with good job opportunities, and plenty to see.

Like Canada, Australia is historically close to the US politically and diplomatically. But Australia is increasingly being drawn into the broader Asian cultural and economic world. China is its biggest trading partner, and business links between Australia and East Asia are deep and extensive. Government policy has become increasingly pragmatic over the years, resulting in the longest stretch without a recession in modern history.

If you enjoy Australia's outgoing, laidback culture, and you've got the right credentials to be an economic immigrant, Australia could be the place for you.

Argentina



Argentina has justifiably been called the “United States of South America.” It's not a federal republic like the US, but it's a melting pot of immigrants from many different places.

Originally a Spanish dominion, the country became famous for cattle ranching and beef exports (like its former province Uruguay to the northeast). In the 19th

century, it attracted millions of immigrants from Europe, particularly Spain, Italy, and Germany. Substantial numbers of Jews and Arabs also came to the country at the end of the 19th century. More recently, Argentina has welcomed immigrants from Korea, China, Japan, and Eastern Europe.

The cause of this wide mixture of immigrants is a constitutional provision, adopted in 1852, that said the country “will not restrict, limit or burden with any taxes the entrance into Argentine territory of foreigners who come with the goal of working the land, improving the industries and teaching the sciences and the arts.” In addition, the Argentine constitution, like that of neighboring Uruguay, promises to extend its rights to “everyone in the world who wish to dwell on Argentine soil.”

Argentina, which allows dual nationality, has one of the fastest paths to naturalization in the world. It's possible to acquire citizenship and a passport after just two years of permanent residency. And the Argentine passport allows visa-free access to 168 countries.

The starting point is to acquire a long-term residency visa. These include employment and investment visas, study visas, and retirement visas.

Frankly, business and investment visas have not been very popular in recent years because of the country's chronic economic and monetary issues. But that's why Argentina has thrown open its doors to retirees and digital nomads.

These visas—known as *pensionado* and *rentista* visas—are available to foreigners who have a monthly income of around \$17,000 a year (although this amount changes regularly given the country's extremely high rate of inflation). Retirement visas are issued for one year at a time and are renewable. After two years of continuous residency, you can apply for citizenship. Unlike most countries around the world, you can apply for a retirement visa after having entered the country on a tourist visa.

Naturalization in Argentina is a simple process. Unlike many other countries, you don't need to prove language skills or take a citizenship exam. The process is inexpensive, and if you've been living in the country, can be done without a lawyer.

Argentina is known for its turbulent political history. But its culture is very “European.” The climate is moderate in the heavily populated north. The food is outstanding, and Argentines are known to be friendly and hospitable. Despite its history of instability, it has one of the lowest crime rates in Latin America.

The cost of living in Argentina varies depending on what you're buying, but overall, it's about half that of the US. In smaller cities and towns, a couple can live comfortably for around \$2,000. Public health care is free—although only available in built-up areas—and can be topped up with private cooperative hospital care.

The biggest concern for many people about becoming an Argentine citizen is the country's chronic financial instability. During the mid-20th century, the powerful, populist Peronist movement forced the government to adopt an expensive social welfare model that the country couldn't really afford. Ever since, the country has struggled with its budget and balance of payments deficits, putting extreme pressure on the Argentine peso.

The good news is, as in neighboring Uruguay, the US dollar is widely accepted. As the peso declines in value, the exchange rate moves in the opposite direction to compensate. That allows retirees and digital nomads to maintain their living standards regardless of what's happening in the broader economy.

Argentina and neighboring Uruguay have long been more popular for European immigrants than North Americans. But it's a country with massive potential, and given the economic dynamism of the surrounding countries, it's likely to be a long-term winner.

Is Argentina for you?

It has a relaxed lifestyle, a Europeanized culture, English is widely spoken, and the cost of living is low. It may be off many peoples' radars, but it boasts one of the fastest second citizenships in the world through extended residency.

In my global travels—which to date have encompassed more than 90 countries—people who acquired a second citizenship through naturalization significantly outnumber those who did it through investment or ancestry.

That's unsurprising. Although you can get a passport for as little as \$100,000, it'll be for one of the Caribbean islands, which, for all their natural beauty, aren't everyone's cup of tea. And unless you're a child of recent immigrants, or descended from Irish or Italian immigrants, getting a passport through ancestry can be out of reach.

But almost anyone can acquire a second citizenship through passport by living in a country for an extended period. Sometimes that means making a significant economic or property investment in the country or having sought-after skills. Other times it means having the right ethnic or religious background. Sometimes, it just means having enough regular income to be able to stay until you qualify for citizenship.

The list of countries in this report is by no means exhaustive. In the future, I'll be exploring many others that provide a pathway to a passport through naturalization.