

The Importance of Due Diligence to Citizenship-by-Investment Programs

Citizenship-by-Investment (CBI) is the legal process by which an individual can attain citizenship of a country by investing in its economy, usually in the form of a real estate purchase, or by making a donation directly to its Government. Since this is an expedited path towards Citizenship compared to other immigration processes, certain steps must be followed to successfully mitigate risk and safeguard the legitimacy of a country's CBI program.

The principal risk is that unlawful individuals may use the CBI mechanism to avoid criminal action, evade tax and hide assets from abroad. While such investor schemes are designed to attract wealthy individuals from developing nations, it also attracts wealthy individuals trying to evade justice in their native countries. The admission of potentially threatening individuals into sovereign territory, and the granting of citizenship to them, not only greatly undermines the legitimacy of a country's CBI program, but also greatly endangers the security of all its citizens.

The best way to mitigate this risk, therefore, is to comprehensively vet potential candidates/applicants. Due diligence is necessary as it is a multi-tiered and logically structured process to verify information submitted by a CBI candidate/applicant. Any discrepancies are labelled "red flags."

The Due-diligence process

First, the individual's background is analysed on global security watchlists and subsequently on publicly available sources. This includes anything and everything from the candidate's social media profiles to court and criminal databases.

Second, human intelligence is used for on-the-ground research. Investigators must verify an applicant's details such as their permanent address, employment history, education qualifications, authenticity of passport, birth, and marriage certificates, national identity card, etc. This use of human intelligence is important because our investigators can also interact with a candidate's former acquaintances to gauge their social reputation.

Finally, findings are summarized in a comprehensive report with corresponding evidence, to classify the candidate as a potential threat to the country or not.

- Sachit Kumar, Director, Globe Detective Agency Pvt. Ltd.

The process of an enhanced or investigative due diligence is hence essential, as it is a deep dive into a candidate's personal history. It assesses the legitimacy of an individual's candidacy and also ascertains the candidate's legitimate source of wealth. By determining such information, the immigration program of a country is in a better position to make informed decisions about who they are granting access to and can prevent granting citizenship to individuals involved in criminal activities.

It is also imperative that the applicants for Citizenship programs are conscious and present true and authenticated documents and information while submission of their applications.

Sachit Kumar's bio



Sachit joined Globe Detective Agency (P) Ltd. (GDA), after completing his Masters in Business Administration from the Strathclyde Business School in Glasgow, Scotland. His long career in the business of investigations and security has been marked by several awards and accolades.

He has been recognized as the Investigations Entrepreneur of the Year by the Indian Home Minister, Mr. Shivraj Patil in 2008 and the Investigation Personality of the Year by the Indian Minister of State, Minister of Home Affairs, Mr. Haribhai P. Chaudhary in 2014.

In 2015, he was elected President of the Council of International Investigators and in a historic first, re-elected President in 2016. He was awarded the "Lifetime Achievement Award in Investigation" by the President of India in 2012.

Currently, he focuses on Corporate Investigations, Due Diligence, and developing GDA's business globally.