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## Vanuatu citizenship for sale

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# Citizenship for sale: fugitives, politicians and disgraced businesspeople buying Vanuatu passports

Revealed: more than 2,000 people, including individuals sought by police, have purchased passports, and with them visa-free access to the EU and UK

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## **Euan Ward and Kate Lyons**

A controversial “golden passports” scheme run by the Pacific nation of [Vanuatu](#) saw more than 2,000 people, including a slew of disgraced businesspeople and individuals sought by police in countries all over the world, purchase citizenship in 2020 - and with it visa-free access to the EU and UK, the Guardian can reveal.

Among those granted citizenship through the country’s development support program were a Syrian businessman with US sanctions against his businesses, a suspected North Korean politician, an Italian businessman accused of extorting the Vatican, [a former member of a notorious Australian motorcycle gang](#), and South African brothers accused of a \$3.6bn cryptocurrency heist.

The passport scheme allows foreign nationals to purchase citizenship for US\$130,000 in a process that typically takes just over a month - all without ever setting foot in the country.

Marketed by agencies as one of the fastest, cheapest and most lax “golden passport” schemes anywhere in the world, the development support program grants unfettered, visa-free access to 130 countries including the UK and EU nations. Vanuatu also operates as a tax haven, with no income, corporate or wealth tax.

Experts have warned the scheme is ripe for exploitation, creating a back door for access to the EU and UK and allowing transnational criminal syndicates to establish a base in the Pacific, and Vanuatu’s taxation laws make the country an attractive site for money laundering.

## **A path to new identities**

The passports program, which netted the Vanuatu government more than US\$116m last year, has been highly controversial since its relaunch in 2017.

But until now, knowledge of who has bought passports through the scheme has been murky.

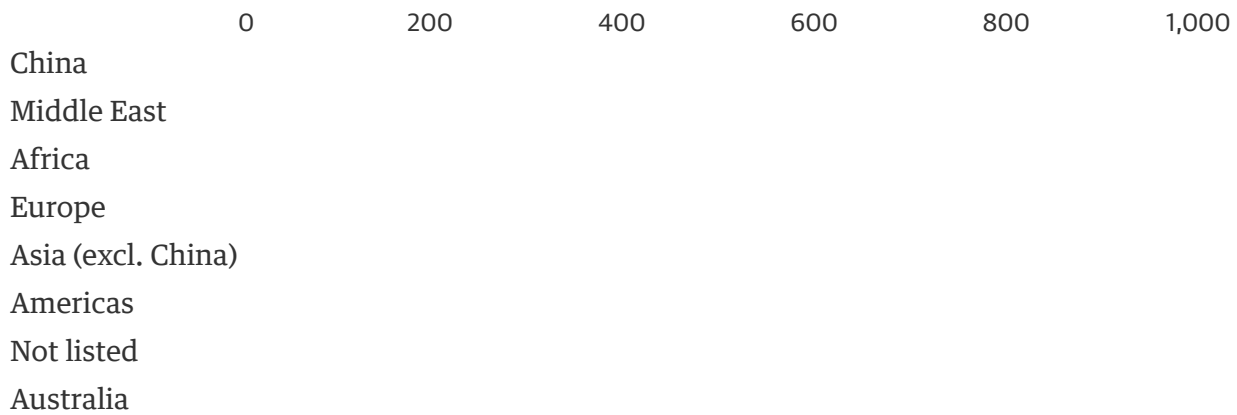
A series of internal government documents obtained by the Guardian via the country’s freedom of information scheme, details the name and nationality of every recipient of a Vanuatu passport through the country’s development support program and Vanuatu contribution program in 2020 and January 2021.

After a months-long investigation, involving searching publicly available court records, electoral rolls, death records, social media trails, and discussions with police and sources from around the world, the Guardian has been able to confirm the identities of dozens of the individuals on the list.

Vanuatu issued roughly 2,200 passports in 2020 through these programs - more than half (around 1,200) were to Chinese nationals. After Chinese, the most common nationality of recipients was Nigerian, Russian, Lebanese, Iranian, Libyan, Syrian and Afghan. Twenty people from the US, six Australians and a handful of people from Europe were also among those who applied.

## Chinese nationals received more than half of all Vanuatu passports through its citizenship by investment scheme

Number of passports issued in 2020 under the DSP and VCP programs by nationality of applicant



Guardian graphic | Source: Vanuatu government data

The citizenship-by-investment (CBI) scheme is not illegal and many countries around the world offer CBI programs. There are many legitimate reasons for applying, including improved freedom of movement or tax-free offshore banking privileges.

However, security experts warn that the ease with which people can buy passports from the country, as well as the travel it permits, could make it an attractive scheme for members of transnational criminal syndicates, allowing them a legitimate base in the Pacific.

“It’s not just that they can travel through the EU or set up businesses ... one of the issues is being able to create these networks to the Pacific, especially as the Pacific becomes more of a trafficking hub for drugs,” said Jose Sousa-Santos, a Pacific policy fellow at the Australian Pacific Security College. “And Vanuatu’s tax semi-haven laws make it very attractive for money laundering.”

The Guardian has found that a number of Vanuatu applicants are heavily implicated in a complex web of offshore business, with some owning shell companies with no discernible business activity.

Sousa-Santos added that another potential danger was people obtaining Vanuatu citizenship and then legally changing their name in Vanuatu, which effectively gave them a new identity.



“It’s one of the real risks,” he said. “If you are somebody who is a person of interest and who was able to somehow clear the Vanuatu Financial Intelligence Unit process, once you have Vanuatu citizenship, you’re able to change your name and, of course, be able to enter countries where your criminal background would not allow you to.”

In one brochure advertising the country’s development support program by a registered agent, the agency answers a question about whether passport recipients can change their name. “Once you are granted citizenship, you can change your name by sending us a letter that explains your motivation to change your name and your passport will be issued with your new name,” the brochure reads.

In response to these concerns, Ronald Warsal, the chairman of the Vanuatu Citizenship Office and Commission, said: “Vanuatu is a signatory to ... most internationally sanctioned treaties and has ratified such treaties in recent years prohibiting transnational criminal syndicates to operate within its [jurisdiction] and as such, it is hard for international criminal syndicates to establish a base in Vanuatu.” He also said the country required checks before allowing a legal change of name.



📷 Port Olry beach, Vanuatu. The country's passports program netted the government more than US\$116m last year. Photograph: Jessica Palmer/Getty Images

## EU concerns

Both the EU and the OECD have continued to express concerns regarding due diligence measures, forcing Vanuatu to promise it would step up background checks last year in an attempt to clean up the programs’ image.

Despite this, the documents show that as recently as January 2021, Vanuatu was selling passports to individuals with links to fraud or sanctions and others who were

sought by police in their home countries.

The list presents a list of colourful characters including a Fifa boss, an Emirati princess and a Nigerian televangelist - none of whom the Guardian alleges were involved in any wrongdoing or criminal activity.

Political figures include Alaa Ibrahim, the former Syrian governor of Damascus countryside, and Vinay Mishra, a former Indian politician. Mishra is currently living in Vanuatu and facing allegations of corruption back in India, which his lawyers are reported as saying he wishes to fight.



Other people granted passports by Vanuatu include:

Raees and Ameer Cajee, the founders of cryptocurrency investment platform Africrypt, who have been accused by lawyers for their former investors of a “crypto heist”, allegedly disappearing with bitcoin valued at roughly \$3.6bn (£2.6bn), claims they deny.

Gianluigi Torzi, an Italian businessman accused of extorting Vatican officials of €15m (US\$17.7m) during the purchase of a valuable London property. Torzi has denied wrongdoing.

Hayyam Garipoglu, a Turkish banking mogul imprisoned over a multimillion-dollar embezzlement scandal, and also sentenced to prison for harbouring his nephew after his nephew murdered a 17-year-old girl.

Ghali Belkecir, the controversial former head of Algeria's Gendarmerie, the country's military force in charge of law enforcement, who has four warrants out for his arrest.

Khaled al-Ahmad, a Syrian businessman and close advisor to President Assad, also obtained Vanuatu citizenship in June 2019, according to documents separately obtained by the Guardian.

In response to the Guardian's inquiries about the individuals, Floyd Mera, the director of Vanuatu's Financial Intelligence Unit, said: "Reading your list, most have allegations, pending investigations and ongoing court proceedings. A few have cases against them only after obtaining Vanuatu citizenship ... If there are substantial convictions against any of these names, their citizenship may be revoked."

He added: "Going forward, the FIU will conduct enhanced checks on the names provided in your list. If any of these persons have criminal convictions, FIU will promptly inform Citizenship Office of the updated information."

The Guardian also believes there may be a senior North Korean politician and his wife who were granted citizenship after applying for the scheme using Chinese passports.

The names of a man and a woman who applied for passports last year match those of a well-known senior North Korean politician and his wife, though the Guardian has not been able to confirm the couple's identity.

On paper, Vanuatu prevents citizens of Syria, Iraq, Iran, Yemen and North Korea from obtaining citizenship unless they can prove they have been a resident outside these countries for more than five years. However, the Guardian was able to identify a number of applicants from those countries who were resident within the black-listed countries at the time of applying.

A Syrian construction and real estate magnate with sanctions against a number of his businesses appears on the document. Abdul Rahman Khiti purchased Vanuatu citizenship just a few weeks after the US imposed sanctions on a number of his businesses.

Warsal, of Vanuatu's Citizenship Office and Commission, said: "Abdul Rahman Khiti's application was lodged prior to sanctions on a number of his business and by the time his application came before the screening committee and the FIU there was no adverse finding against him and the commission approved his application."

Warsal said that Khiti also provided proof of his residency outside Syria for five years prior to applying. He added that the Citizenship Commission would be further investigating Khiti's citizenship.

## A source of revenue

Vanuatu is one of the poorest countries in the world, with the World Bank putting GDP per capita at US\$2,780. The country is heavily in debt, in large part due to the natural disasters that have hit it. After a crippling cyclone in 2014, the country's [debt stock-to-GDP ratio](#) climbed from 23% to 47% in 2018.

The sale of passports is the largest source of revenue for the Vanuatu government, with [analysis by Investment Migration Insider](#) finding it accounted for 42% of all government revenue in 2020.

In June 2021, the government reported a budget surplus despite the Covid-19 pandemic, largely thanks to the continued demand for citizenship, and the government has used the profits to pay down debts.

“There is merit [to the scheme],” said Ralph Regenvanu, the opposition leader of Vanuatu. “It just needs to be done a lot better than we’ve done it to date.”

Asked what advantage there is to Vanuatu, Regenvanu is blunt.

“Money. For a country with very limited resources, it’s money.”



📷 Vanuatu's opposition leader Ralph Regenvanu says the scheme needs better due diligence checks. Photograph: Mick Tsikas/AAP

Regenvanu said more robust processes needed to be implemented to screen applicants, in particular the enactment of an order that was issued by the former government - in which he was foreign minister - in March, which ordered an international specialist firm to be involved in due diligence checks.

“The only checks are the Financial Intelligence Unit and that’s obviously, as you found out, just totally inadequate ... Our FIU obviously doesn’t have the capacity.”

Warsal said “the government is in its final stages to engage a European international reputable firm to assist the VFIU in its due diligence processes.”

But many in Vanuatu see the scheme as an affront to the sovereignty of the young country, which achieved independence from France and the UK in 1980 after almost a decade of struggle.

Ati George Sokomanu was a key figure in the country’s struggle for independence in the 1970s and was appointed as Vanuatu’s foundation president in 1980 after independence. He said the cash-for-passports scheme “tarnished” the vision of a free and proud Vanuatu they fought for during the independence movement.

“The gospel that we preached was to do with the return of the land from the hands of the foreigners - that we should have our own passport, that we would be a free people, we should have our own flag, and you know, be somebody in the face of this world,” he said.

“We struggled for our freedom and we gained it. And why should we break our sovereignty and our own dignity by making us become slaves again by selling our own passport to other people?”

A spokesperson for the Home Office said: “Border Force’s priority is to maintain security at the border and all persons entering the UK have to be checked without exception.

“Non-visa nationals have no preferential access to the UK. They must meet the requirements of the published immigration rules.”

This article was amended on 13 April 2023. An earlier version said, wrongly, that Libya’s former prime minister Mr Faiez Sarraj (referred to as Fayez al-Sarraj in the article) purchased Vanuatu citizenship in January 2020, while still in office. We would like to clarify that Mr Sarraj did not purchase such citizenship. The article also erroneously said that Mr Sarraj had, after leaving office, “reportedly left Libya”. His representatives have asked us to make clear that he continues to reside in Libya since leaving office, other than for temporary foreign visits. We are happy to set the record straight and we apologise for these errors. References to Mr Sarraj have been removed from the article.

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