



 METHODOLOGY REPORT

# The Exit Index

Evaluating Citizenship Renunciation



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# 01. Executive Summary

## The Exit Index: Evaluating Citizenship Renunciation

Global Passport introduces the Exit Index, also known as the Balaji Index, a groundbreaking tool designed to assess the implications and processes of citizenship renunciation across the globe. This innovative index provides invaluable insights for individuals considering relinquishing their citizenship, whether for personal, professional, or financial reasons. ...



*The right to emigrate is a more fundamental right than the right to vote.*



**Balaji Srinivasan**

February 21, 2022



By incorporating seven key parameters, the Exit Index offers a comprehensive evaluation of the "exit" process from various nations, serving as an essential tool for those contemplating this significant life decision.



# 02. Introducing the Exit Index

## A Benchmarking Tool for Exit Rights

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In an increasingly interconnected world, the concept of citizenship is evolving. More individuals are considering the option of renouncing their citizenship for various reasons, including tax optimization, political concerns, or pursuit of new opportunities. In fact, the right to exit is recognised as a human right by the United Nations:

Article 13 of the Universal Declaration of Human Rights states:

**"Everyone has the right to leave any country, including his own, and to return to his country."**

[source]

However, the process of citizenship renunciation is complex and varies significantly between countries. The Exit Index aims to provide clarity and comparability to this process, empowering individuals to make informed decisions about their global mobility options.

The Exit Index, affectionately referred to at GlobalPassport as the Balaji Index, is a quantitative tool designed to measure the difficulty of emigration from various countries. This index is particularly relevant for individuals who possess or intend to obtain citizenship in multiple countries, especially those contemplating or required to consider citizenship renunciation.



The Exit Index evaluates passports globally using seven key indicators, providing a standardized method for comparing emigration challenges across different nations. This comparative analysis is crucial for understanding the potential consequences of citizenship renunciation and aids in informed decision-making regarding global mobility and citizenship status.

The index serves as an objective resource for policymakers, researchers, and individuals navigating the complex interplay between citizenship rights, emigration policies, and global mobility. By quantifying these factors, the Balaji Index contributes to a more nuanced understanding of the barriers and facilitators of international movement in the context of changing citizenship.

## GlobalPassport's Exit Index (Balaji Index)

COUNTRY	DUAL CITIZENSHIP ALLOWED	RENUNCIATION POSSIBLE	DIFFICULTY LEVEL	PROCESSING TIME	COST TO RENOUNCE CITIZENSHIP	EXIT TAX	RE ACQUISITION POLICY	GLOBALPASSPORT EXIT INDEX SCORE
 USA	10	9	2	2	1	2	4	42 %
 Austria	5	5	2	7	5	6	3	48 %
 UAE	5	5	0	7	5	10	3	53 %
 Japan	0	2	10	7	10	3	4	54 %
 South Korea	5	10	1	6	9	6	5	59 %
 Netherlands	5	10	1	6	10	6	4	60 %
 Costa Rica	10	0	8	8	8	8	4	62 %
 Germany	5	10	1	7	9	7	4	62 %
 Malaysia	0	10	1	7	9	10	4	62 %
 Spain	5	10	2	6	10	5	6	62 %
 Thailand	5	5	3	7	7	10	4	62 %
 Argentina	10	0	0	0	0	0	0	63 %
 Singapore	0	10	3	7	9	10	3	64 %
 Taiwan	5	10	1	6	9	10	5	65 %

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COUNTRY	DUAL CITIZENSHIP ALLOWED	RENUNCIATION POSSIBLE	DIFFICULTY LEVEL	PROCESSING TIME	COST TO RENOUNCE CITIZENSHIP	EXIT TAX	RE ACQUISITION POLICY	GLOBALPASSPORT EXIT INDEX SCORE
 Latvia	5	10	2	6	10	10	5	68 %
 France	10	10	3	6	9	4	6	69 %
 Lithuania	5	10	3	6	10	10	5	70 %
 Poland	10	10	3	6	7	10	5	70 %
 Bahamas	0	10	7	8	5	10	6	71 %
 Canada	10	10	6	5	8	4	6	71 %
 Portugal	10	10	4	6	7	8	7	71 %
 Slovakia	5	10	4	6	10	10	5	71 %
 Slovenia	5	10	4	6	10	10	5	71 %
 Australia	10	10	4	6	7	7	6	72 %
 Italy	10	10	2	8	7	7	8	72 %
 Honduras	5	10	5	7	7	10	7	73 %
 Luxembourg	10	10	4	6	7	10	6	73 %
 Panama	5	10	6	7	6	10	7	73 %

## GlobalPassport's Exit Index (Balaji Index)

COUNTRY	DUAL CITIZENSHIP ALLOWED	RENUNCIATION POSSIBLE	DIFFICULTY LEVEL	PROCESSING TIME	COST TO RENOUNCE CITIZENSHIP	EXIT TAX	RE ACQUISITION POLICY	GLOBALPASSPORT EXIT INDEX SCORE
 Switzerland	10	10	3	7	10	7	5	73 %
 Croatia	10	10	2	6	8	10	5	74 %
 Estonia	5	10	3	6	10	10	5	74 %
 Palau	0	10	7	8	7	10	8	74 %
 New Zealand	10	10	5	6	7	10	6	74 %
 Hungary	10	10	3	6	10	10	5	75 %
 Philippines	5	10	4	7	10	10	6	75 %
 Malta	10	10	6	6	7	10	6	76 %
 Norway	10	10	4	6	10	10	5	76 %
 Romania	10	10	4	6	10	10	5	76 %
 Greece	10	10	3	6	10	10	6	76 %
 UK	10	10	5	5	7	7	6	77 %
 Sweden	10	10	5	6	10	10	6	79 %
 Czech Republic	10	10	4	6	10	10	5	80 %

## GlobalPassport's Exit Index (Balaji Index)

COUNTRY	DUAL CITIZENSHIP ALLOWED	RENUNCIATION POSSIBLE	DIFFICULTY LEVEL	PROCESSING TIME	COST TO RENOUNCE CITIZENSHIP	EXIT TAX	RE ACQUISITION POLICY	GLOBALPASSPORT EXIT INDEX SCORE
 Ireland	10	10	6	6	10	10	7	81 %
 Colombia	10	10	5	7	8	10	7	82 %
 Brazil	10	10	5	5	10	10	8	83 %
 Dominican Republic	10	10	5	7	8	10	8	83 %
 El Salvador	10	10	6	7	7	10	8	83 %
 Anguilla	10	10	8	8	6	10	7	85 %
 Armenia	10	10	5	7	10	10	7	85 %
 Bermuda	10	10	8	8	6	10	7	85 %
 Belize	10	10	8	8	6	10	7	85 %
 St. Kitts & Nevis	10	10	8	8	7	10	7	85 %
 Cayman Islands	10	10	8	8	6	10	8	86 %
 Chile	10	10	5	7	10	10	8	86 %
 Ecuador	10	10	5	7	10	10	8	86 %
 Mexico	10	10	7	7	10	10	8	86 %
 Uruguay	10	10	5	7	10	10	8	88 %





"History is running in reverse..

**Balaji Srinivasan**



..the U.S. is becoming more like  
India of the 1950's..

**Balaji Srinivasan**



..It is America that will soon give  
birth to an impressive international  
diaspora fleeing economic  
craziness, ethnic conflict and  
potentially geographical partition."

**Balaji Srinivasan**



# 03. Why is Exit Important?

## For Countries and Individuals

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The concept of "exit" in the context of citizenship and residency is crucial in today's increasingly globalized world. Here are just a few reasons why:

### **Personal Freedom and Autonomy**

The ability to exit a country provides individuals with a fundamental form of personal freedom. It allows people to choose where they live, work, and build their lives based on their own preferences and values, rather than being constrained by the circumstances of their birth.

The ability to exit and experience life in different countries promotes personal growth, broadens perspectives, and enhances cross-cultural understanding. This is increasingly valuable in our interconnected world.

### **Economic Opportunity**

Exit options enable individuals to pursue better economic opportunities in different countries. This can lead to improved living standards, career advancement, and the ability to build wealth in more favorable economic environments.

For high-net-worth individuals, exit options can be crucial for tax planning, wealth preservation, and creating a diversified global asset base.

### **Risk Mitigation**

In an unpredictable world, having the option to exit provides a crucial safety net. It allows individuals to hedge against various risks such as political instability, economic downturns, or social unrest in their home country.

## Global Talent Mobility

From a macro perspective, easier exit options facilitate the global flow of talent and ideas. This can lead to increased innovation, cultural exchange, and overall human progress as people are able to contribute their skills and knowledge where they are most valued.

## Catalyst for Global Competition

When exit is easy, it creates a form of competition among nations to attract and retain citizens. This can lead to improvements in governance, economic policies, and quality of life across the globe as countries strive to be more appealing to mobile citizens.

The threat of exit can serve as a powerful check on government overreach or mismanagement. When citizens have viable options to leave, governments are incentivized to provide better services and maintain more citizen-friendly policies to retain their population and tax base.

...

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**Exit is the ripcord. It's the last resort, the most effective way of withdrawing consent from a failing state. Leave their jurisdiction to leave them as king of nothing.**



**Balaji Srinivasan**

October 25, 2013



# 04. Methodology

## Quantifying Exit Opportunity

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The Exit Index is based upon a quantitative comparative model that utilizes seven unique indicators. Each indicator is carefully weighted to provide a comprehensive overall score, allowing for easy comparison between various countries' citizenship renunciation policies and processes.

### Key Parameters and Weightings

1. Dual Citizenship Allowance: Evaluates the country's stance on dual citizenship, ranging from full prohibition to unrestricted allowance.
2. Renunciation Possibility: Assesses whether citizenship renunciation is legally possible and under what conditions.
3. Difficulty Level: Measures the complexity of the renunciation process, including paperwork, interviews, and other requirements.
4. Processing Time: Evaluates the efficiency of the renunciation process, from application to official approval.
5. Cost to Renounce Citizenship: Analyzes the financial burden of renouncing citizenship, including all associated fees.
6. Exit Tax: Assesses any tax implications or financial obligations imposed on individuals renouncing their citizenship.
7. Re-acquisition Policy: Examines the possibility and ease of regaining citizenship after renunciation.

### Detailed Description of Key Indicators

#### 1. Dual Citizenship Allowance

This indicator evaluates a country's stance on dual citizenship, ranging from full prohibition to unrestricted allowance. It provides insight into how flexible or restrictive a nation is regarding its citizens holding multiple nationalities. The assessment relies on comprehensive data from authoritative sources such as the Global Citizenship Observatory (GLOALCIT) and country-specific immigration departments, ensuring a well-rounded and accurate representation of each nation's policies.

## 2. Renunciation Possibility

This factor assesses whether citizenship renunciation is legally possible and under what conditions. It examines the legal framework surrounding the process of giving up one's citizenship, considering any restrictions or prerequisites that may exist. The analysis draws from reliable sources including the U.S. Department of State's Country Reports and national citizenship laws, offering a thorough understanding of the legal landscape for citizenship renunciation in different countries.

## 3. Difficulty Level

This indicator measures the complexity of the renunciation process, including paperwork, interviews, and other requirements. It provides a clear picture of how challenging it may be for an individual to navigate the bureaucratic procedures involved in giving up their citizenship. The assessment leverages insights from law firms specializing in immigration, such as Henley & Partners, as well as real-world experiences shared on expat forums and resources like InterNations, offering a blend of expert knowledge and practical perspectives.

## 4. Processing Time

This metric evaluates the efficiency of the renunciation process, from application to official approval. It gives potential expats an idea of how long they might need to wait before their renunciation is finalized. The data is sourced from official government immigration websites and international immigration law databases like the EUDO Citizenship Observatory, ensuring up-to-date and reliable information on processing times across different countries.

## 5. Cost to Renounce Citizenship

This indicator analyzes the financial burden of renouncing citizenship, including all associated fees. It provides a comprehensive overview of the monetary investment required to complete the renunciation process. The assessment draws from official government fee schedules and insights from international tax advisory firms such as KPMG and Deloitte, offering a detailed and accurate picture of the costs involved in different jurisdictions.

## 6. Exit Tax

This factor assesses any tax implications or financial obligations imposed on individuals renouncing their citizenship. It examines whether countries require departing citizens to settle tax liabilities or pay specific exit taxes before allowing renunciation. The analysis relies on authoritative sources such as PwC's Worldwide Tax Summaries and the OECD tax database, providing a thorough understanding of the potential financial consequences of citizenship renunciation.

## 7. Re-acquisition Policy

This indicator examines the possibility and ease of regaining citizenship after renunciation. It explores whether countries offer pathways for former citizens to reclaim their nationality and, if so, what conditions apply. The assessment is based on careful analysis of national citizenship laws, offering insight into the long-term implications of renunciation and the flexibility of different countries in welcoming back former citizens....

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*If you want to think about things that are next, build technologies for what the next society looks like. Apps that allow people to travel and relocate better because it's a huge pain to move from city to city.*

*Anything you can think of that reduces the barrier to exit, that reduces lock-in.*

*If we work together we might be able to build something like this.*”



Balaji Srinivasan  
YC STARTUP SCHOOL,  
October 25, 2013



## Data Collection and Sources

The Exit Index relies on a wide range of authoritative sources to ensure accuracy and reliability:

- Global Citizenship Observatory (GLOBALCIT)
- U.S. Department of State's Country Reports
- National citizenship laws
- Official government immigration websites
- International immigration law databases (e.g., EUDO Citizenship Observatory)
- Official government fee schedules
- International tax advisory firms (e.g., KPMG, Deloitte, PwC)
- OECD tax database
- Expat forums and resources (e.g., InterNations)

## Computing the Data

The process of computing the Exit Index involves several steps:

### Data Collection Sources

- Quality of Life Indicators: From sources like the World Health Organization (WHO) and World Happiness Report.
- Economic Factors: From the International Monetary Fund (IMF), World Bank, and other financial institutions.
- Political and Social Stability: From Transparency International, the Global Peace Index, and human rights organizations.

- Immigration and Visa Policies: From immigration portals, government websites, and legal consultants.
- Cultural and Social Integration: From expat surveys, reports, and cultural studies.
- Cost and Accessibility of Relocation: From logistics companies, relocation services, and transportation hubs.

## Normalization of Data

Each data point is normalized to ensure it contributes appropriately to the overall index. This involves:

- Standardization: Converting data into a consistent format, often using z-scores or min-max scaling.
- Weighting: Assigning different weights to each factor based on its perceived importance.

## Calculation of Composite Scores

A composite score is calculated for each country by:

- Aggregating Weighted Scores: Summing the weighted and normalized scores across all factors.
- Ranking: Countries are ranked based on their composite scores.

## Validation and Sensitivity Analysis

The index is validated using historical data and sensitivity analysis to ensure accuracy and reliability.

## Scoring and Ranking

Each parameter is scored on a scale, with higher scores indicating more favorable conditions for citizenship renunciation. The weighted scores are then aggregated to produce a single composite score for each country. Countries are ranked based on these composite scores, with higher scores indicating greater ease and attractiveness for citizenship renunciation.

# 05. Special Cases

## Countries Without Citizenship Renunciation

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For countries that do not legally allow citizenship renunciation, such as Argentina and Costa Rica, a special scoring methodology is applied:

Difficulty Level and Processing Time: Assigned a moderate score (5 out of 10) to reflect the non-existence of the process rather than active difficulty.

Cost to Renounce, Exit Tax, and Re-acquisition Policy: Assigned the highest score (10 out of 10) as there are effectively no costs, taxes, or re-acquisition issues due to the impossibility of renunciation.

This approach ensures fair representation of these countries in the index without undue penalization for their unique legal situations.














# 06. Interpretation of Results

## Citizenship Exit Rankings

The Exit Index presents scores as percentages, ranging from 46% (lowest observed score) to 91% (highest observed score). This approach was chosen to:

1. Provide intuitive interpretation of scores
2. Preserve actual performance levels
3. Allow for meaningful clustering of countries with similar performances
4. Avoid artificial extremes created by normalization
5. Maintain consistency with past data
6. Highlight room for improvement even for top-performing countries

COUNTRY	DUAL CITIZENSHIP ALLOWED ①	RENUNCIATION POSSIBLE ①	DIFFICULTY LEVEL ①	PROCESSING TIME (I.E. WAITING PERIOD) ①	EXIT TAX ①	RE-ACQUISITION POLICY ①	GLOBALPASSPORT EXIT INDEX SCORE
 Anguilla	10	10	8	8	10	7	86.00%
 Argentina	10	0	5	5	10	10	63.00%
 Armenia	10	10	5	5	10	7	87.00%
 Australia	10	10	4	4	7	6	74.00%
 Austria	5	10	2	2	6	3	59.00%
 Bahamas	0	10	7	7	10	6	72.00%
 Belize	10	10	8	8	10	7	86.00%
 Bermuda	10	10	8	8	10	7	86.00%
 Brazil	10	10	5	5	10	8	86.00%
 Canada	10	10	6	6	4	6	73.00%
 Cayman Islands	10	10	8	8	10	8	87.00%

# 07. Applications

## Applications of the Exit Index

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The Exit Index serves multiple purposes, providing valuable insights for individuals, policymakers, researchers, and global mobility professionals.

### Decision Making

The Exit Index provides a clear overview for individuals considering renouncing their citizenship. It serves as a crucial tool in the decision-making process by:

- Offering a comprehensive comparison of renunciation processes across countries, allowing individuals to understand the relative ease or difficulty of renouncing citizenship in different jurisdictions.
- Highlighting potential financial implications, including renunciation costs and exit taxes, enabling individuals to budget accurately for the process.
- Providing insights into processing times, helping individuals plan their renunciation timeline effectively.
- Clarifying the stance on dual citizenship, which can be a critical factor for those wishing to acquire new citizenship without losing their current one.
- Informing about re-acquisition policies, which can be vital for those who may want to keep future options open.

By consolidating this information into a single, comparable metric, the Exit Index empowers individuals to make informed decisions about their citizenship status, aligning with their personal, professional, and financial goals.

### Policy Comparison

The Exit Index allows for easy comparison of citizenship renunciation policies across different countries. This application is particularly valuable for:

- Policymakers and government officials who can use the index to benchmark their country's policies against global standards and identify areas for potential reform or improvement.

- International organizations focused on human rights and freedom of movement, providing them with a tool to advocate for more equitable and accessible citizenship policies.
- Academic researchers studying comparative citizenship law, offering a standardized metric for cross-country analysis.
- Legal professionals specializing in immigration law, enabling them to provide more comprehensive advice to clients considering citizenship renunciation.

By facilitating these comparisons, the Exit Index contributes to a global dialogue on citizenship policies and can potentially drive policy improvements and standardization across countries.

## Trend Analysis

The Exit Index reveals global trends in citizenship policies and attitudes towards citizenship renunciation over time. This trend analysis is valuable for:

- Economists and social scientists studying global mobility patterns and their impact on national economies and social structures.
- Government agencies responsible for immigration and citizenship, helping them anticipate future trends and adjust policies proactively.
- International businesses and multinational corporations, aiding in strategic planning for global workforce management.
- Journalists and media outlets reporting on global citizenship trends and their implications for international relations and individual rights.

By tracking changes in the Exit Index over time, stakeholders can identify emerging patterns in global citizenship policies, such as a general trend towards accepting dual citizenship or increasing financial barriers to renunciation in certain regions.

## Risk Assessment

The Exit Index helps individuals assess the potential risks and long-term implications of renouncing their citizenship. This risk assessment function is crucial for:

- High-net-worth individuals considering citizenship renunciation for tax optimization, helping them weigh the potential benefits against the risks and costs.
- Expatriates living long-term in foreign countries, assisting them in evaluating the pros and cons of maintaining their original citizenship versus renouncing it.
- Political dissidents or individuals from countries with unstable political situations, aiding them in understanding the implications of severing ties with their home country.
- Financial advisors and wealth managers, enabling them to provide more comprehensive advice on the global mobility aspects of wealth management strategies.

The index highlights potential risks such as high exit taxes, lengthy processing times that could leave individuals in legal limbo, or strict policies against re-acquiring citizenship, allowing for a more thorough risk-benefit analysis of citizenship renunciation.

# 08. Observations and Trends

## General Observations and Trends of the Exit Index

Analysis of the Exit Index reveals several key observations:

**Varied Renunciation Costs:** Costs range from free (e.g. Japan) to very expensive (e.g. US).

**Processing Time Variations:** Times vary from quick (e.g. Singapore at 1-2 months) to lengthy (e.g. US at 12-18 months).

**Expatriation Tax Regimes:** The US stands out with its exit tax for high-net-worth individuals, while most countries don't have specific exit taxes.

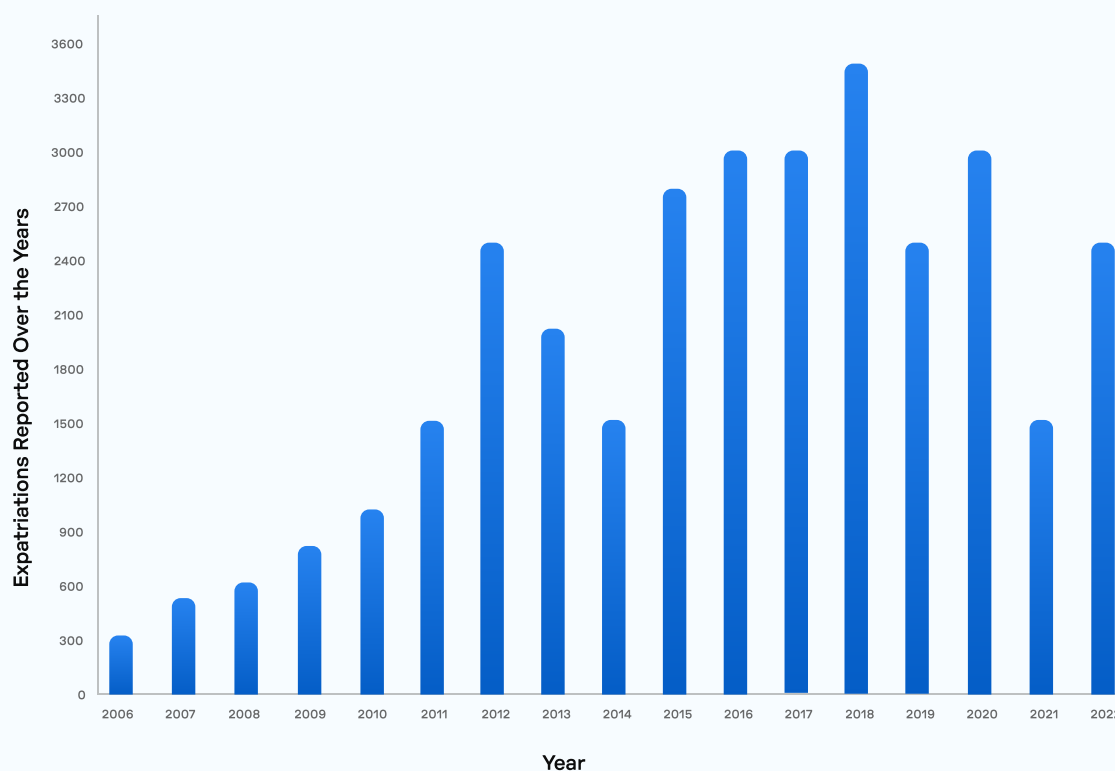
**Dual Citizenship Trends:** There's a general trend towards greater acceptance of dual citizenship, though some countries still restrict it.

**Post-Exit Obligations:** Some countries (notably the US) impose significant post-exit obligations, while most others have minimal requirements after renunciation.

**High-Income vs. Developing Country Approaches:** High-income countries often have more complex exit processes, while many developing countries have simpler processes but may have stricter controls on citizen movement.

### Bidding the U.S. Goodbye

Americans renouncing citizenship



Source: **The Treasury Department:** The Expat List names US citizens who have renounced their citizenships as well as long-term US resident aliens who have relinquished their Green Cards and who have either a minimum net worth of US\$2m or a five-year average of US tax paid greater than US\$178,000.

# 09. Conclusion

## And The Future of the Exit Index

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The Exit Index provides a comprehensive tool for evaluating the process and implications of citizenship renunciation across different countries. By offering a data-driven assessment of various factors involved in renouncing citizenship, it empowers individuals to make informed decisions about their global mobility options. As citizenship and residency planning become increasingly important in our interconnected world, tools like the Exit Index will play a crucial role in navigating the complex landscape of global citizenship.

As global mobility trends continue to evolve, the Exit Index will be updated to reflect changes in national policies, international agreements, and global events that may impact citizenship renunciation processes. Future iterations of the index may also incorporate additional parameters or refine existing ones to provide an even more comprehensive assessment of the global citizenship landscape.

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Balaji Srinivasan has been a guiding light for GlobalPassport since our inception. His visionary ideas have profoundly influenced our mission and approach. Naming our Exit Index after him is our way of honoring his invaluable contributions to the discourse on global citizenship and mobility. The Balaji Index embodies the spirit of innovation and forward-thinking that Srinivasan champions.



**Rogelio Caceres**  
CEO and Co-founder of GlobalPassport™

