

Uruguay and Paraguay for Second Passports: Part 2

Last week I started the [case study of the young American](#), looking to have his exit strategy or 'Plan B' in place, who was looking for a second passport.

He was focusing in on options in South America, preferring that to the economic citizenship programs of St Kitts and Nevis and Dominica in the Caribbean.

And we looked at Uruguay as a residence and citizenship option. If you haven't yet read, part one, I suggest you do so [here](#).

I finished up last week by touching on the wild-card option, Paraguay. I said that for young-at-heart individuals with a sense of adventure and a slightly higher tolerance for risk (or perhaps an appetite for profit?) there is Paraguay. And I pointed out that somebody might choose Paraguay over Uruguay because:

- you can apply after three years for citizenship, with no need to worry about family units
- no need to buy real estate: \$5000 deposit in a local Paraguay bank is enough

- costs in Paraguay are much lower
- it's a country full of business opportunities
- it's more anarchic than Uruguay, meaning less control and more freedom... for example, nobody is really going to count how many days you are there. Having residence on paper is enough.

You might feel freer in Paraguay because government is less developed and less intrusive. Paraguay has always been somewhat cut off from the world, a landlocked frontier state in the middle of South America, that was very hard to reach until maybe 20 years ago. It is known, unfortunately, as a place where Nazis went after the second world war... but it's less well known that many Jews went there too.

Basically Paraguay's immigration policy, enshrined in its constitution, is that everybody is welcome provided they come to live in peace and obey society's norms there. There is plenty of room for everybody, with a low population density, and smart individuals with money and business experience are particularly welcomed. Other people who think outside the box, particularly the hard-working Mennonites, have also found safe haven in Paraguay over the years. Paraguay is very much a secular state... the current President is a former Catholic archbishop who was ex-communicated!

This liberal immigration policy continues into the granting of Paraguayan citizenship, as little as two years after taking up residence. Paraguay's constitution specifically allows dual or multiple citizenship, though the government sometimes insists that those applying for naturaliation renounce their previous citizenship. This is not enforced however and there are legal ways around it.

Paraguay's passport, issued to citizens, is an excellent travel document. Since Paraguay has a small population and most of its higher class citizens (the ones who have money to travel) are of European extraction, it has visa-free travel

agreements with the European Union and many other countries around the world.

Even before you qualify for the Paraguayan passport, you will receive a cedula – the national ID card that is recognized as a travel document in other members of Mercosur such as Argentina, Chile and Brazil. This card is issued automatically to residents.

Obtaining residence is a relatively simple matter. We have access to good, experienced immigration lawyers in Asuncion, the Paraguayan capital, who can help you and have a track record of helping Q Wealth members before you. Referrals are free of charge to Q Wealth members – just [contact the office.](#)

Obtaining citizenship, that is necessary to obtain a Paraguayan passport, is a little more complicated. You will need to learn some basic Spanish in order to carry out the necessary civics test – a multiple choice paper with questions about history, geography and the like. You will need to know things like the major rivers, the names of important historical personages, and the system of government. You will also need to demonstrate some connection with the country, but the lawyers can assist you with that.

All in all, Paraguay is not for those who want a comfortable life in an apartment overlooking a beach. For those people, Uruguay is the better option. However if you are looking for a country where land is cheap, and most businesses are virgin and unregulated, look at Paraguay.

One final note: Paraguayan residence is a very attractive base for world travelers, particularly Brits and Europeans, Canadians and Aussies, seeking to travel the world in search of income while leaving behind their home country taxes. The passport is really only important for Americans who are taxed on their worldwide income unless they renounce citizenship, or for those from countries like China or Russia who have problems traveling anywhere on their existing passports.

More information, as always, can be found in Q Wealth Report. The back issues available online in our [Members Area](#) include information on Paraguayan residence.