

CIP

Citizenship by Investment



ANNUAL REPORT

2021 - 2022



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FOREWORD

Lorne Theophilus
Chairperson

Cabinet's appointment of the Citizenship by Investment Board ("Board") of which I am privileged to serve as Chairperson, became effective as of 1st September, 2021 which is 5 months subsequent to the start of the financial year. From the commencement of my Board's appointment, we have been very clear of our core principles of integrity, efficiency, accountability and transparency. The Board is committed to good governance and thus far, two of our directors have successfully completed the Director Education and Accreditation Programme. Additionally, we have been resolute that transparency, especially to Saint Lucian citizens, shall be at the top of our agenda to ensure the disclosure of how many applications have been processed by the Citizenship by Investment Unit ("the Unit"), the number of applications granted and fundamentally, how the investment funds generated have been spent.

This year, 583 citizenship applications were received of which 433 were granted (and 10 were denied) during the year which is a 38% increase when compared to 313 applications granted last year. By the end of the year 1,304 citizenship applications have been granted since the inception of CIP Saint Lucia in 2016 .

During the year, USD 24,200,000 (compared with USD 17,900,000 in 2020/2021) was received by the Unit as Donations to the National Economic Fund. Additionally, USD 17,100,000 was received and remitted to the Government of Saint Lucia for the Special Covid-19 Bonds. Consequently, premised on such significant earnings, we believe that CIP Saint Lucia is achieving its core mandate by making a significant contribution to Saint Lucia's fiscal development.

We are advised by our global partners and stakeholders that there continues to be increasing demand for second citizenship owing to global instability in various parts of the world and otherwise that persons wish to diversify their investment portfolios and improve their visa free access. For this reason, the Board has been engaging with our reputable marketing firms to bolster CIP Saint Lucia's marketing campaigns globally with a specific target of tapping into new and emerging markets in India, North America and Africa. The Unit has had successful collaboration with sister agencies such as Export Saint Lucia, Invest Saint Lucia and the Tourism Authority and there is an intention to continue to have joint initiatives with these entities which showcases all of Saint Lucia's investment





landscape. At the Saint Lucia Business Forum held in Dubai in February with the formerly stated three sister agencies, we launched the "Beyond the Passport" campaign whereby we are inviting our global citizens to come home to Saint Lucia to vacation, invest, build and grow with us. We believe that there are significant opportunities for Saint Lucia to be derived from creating partnerships and linkages with our global citizens.

We appreciate that ultimately, the success of CIP Saint Lucia is determinant on a multitude of factors including efficiency in the processing of applications. To that end, our average processing time for the year was 75 days having remained well below the longstanding 90 day marketed threshold. The Board has however approved additional human resource and given the Unit the mandate to process compliant applications within 50 days-at no extra processing fee cost to the applicant. This is guaranteed to increase the attractiveness of CIP Saint Lucia to potential applicants.

With regard to our investment options, the Saint Lucia Canelles Resort is the only approved real estate investment project which is open for investment and construction and has been underway since 2020. This year, we note a remarkable increase of 184% (from 82 in 2020/2021 to 233 in 2021/2022) in the number of applications received for investment in the Saint Lucia Canelles Resort. We look forward to welcoming more approved real estate projects in the near future which will provide employment for hundreds of Saint Lucians during both the construction and operating stages. Moreover, from a policy position, there is a focus on village tourism and having unique projects which are inclusive of enhancing and giving back to the communities in which they are built. Additionally, we wish to expand the real estate option to include more options including villas from which Saint Lucian entrepreneurs can benefit.

Concurrent with the policy of the Government of Saint Lucia, as a responsible Board, we are also

guided by the concerns of other friendly states and international organizations such as the European Union ("EU"). From early on in 2022, the European Parliament has once again expressed significant concern regarding the security checks and vetting procedures of CIP and residency programmes. We are confident that we can demonstrate to the EU that all of our records evidence that robust due diligence by both law enforcement and private third parties is conducted on all applicants. Thereafter, upon a thorough assessment, only persons of good repute are granted citizenship in accordance with the CIP legislation.

The CIP Unit welcomed a newly appointed Chief Executive Officer effective from 1st March, 2022 and he brings to the Unit a decade of leadership experience in marketing, strategic management and operations management. We look forward to the necessary innovation and enhancement that he shall bring to CIP Saint Lucia. At this juncture, I wish to acknowledge and thank the Cabinet of Ministers especially the Hon. Dr. Ernest Hilaire, the Minister with Responsibility for the Citizenship by Investment Programme for his unwavering support of the Programme inclusive of availing himself from his busy schedule to make representations globally on behalf of the Programme. Additionally, I must thank my fellow Directors and the staff of the Unit for their continued hard work and dedication to keep CIP Saint Lucia as a leading citizenship investment option.

As a Board, we are committed to best practices and the integrity of CIP Saint Lucia at our core. We shall continue working towards increasing the financial output of CIP Saint Lucia for the benefit of our country whilst attracting honorable individuals who are well placed to invest in Saint Lucia.

CITIZENSHIP BY INVESTMENT BOARD GOVERNANCE

Transitioning of Boards and Management

For the period April, 2021 to August, 2021 the Citizenship by Investment Board comprised of Ryan Devaux (Chairperson), Beryl George (Deputy Chairperson), Esther Greene-Ernest, Rene Williams and Lucius Lake.

Additionally, in December, 2021 the Board went through a management transition which led to Nestor Alfred demitting office and the commencement of a new Chief Executive Officer effective 1st March, 2022.

The former Citizenship by Investment Board and Chief Executive Officer are thanked for the work performed during their tenure.



Lorne Theophilus

Mr. Lorne Theophilus brings to CIP Saint Lucia an extremely diverse background with experience in law, finance and marketing – all critical knowledge bases to the success of the CIP Programme. Mr. Theophilus is a long-standing senior Attorney-at-Law having been called to the Bar of Saint Lucia in 1995 and engaged in private legal practice with his own law firm from 1995 to 2011 and from 2016 to present.

From December 2011 to June 2016, Mr. Theophilus served as the Minister for Tourism, Heritage and Creative Industries and the Parliamentary Representative for the Choiseul/Saltibus Constituency. During his years of service as a Minister, Mr. Theophilus was integral in leading the viable evolution of tourism with an emphasis on the promotion and marketing of Saint Lucia as a tourist destination and the development and enhancement of products and services related to tourism. Mr. Theophilus was responsible for the regulation, co-ordination and monitoring of tourism trends and demands regionally and internationally. Under his stewardship, the destination soared to record numbers in both visitor arrivals and revenue.

Additionally, Mr. Theophilus currently serves as the Chairman of the Board of Directors of Financial Investment & Consultancy Services

Lorne Theophilus
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Ltd. ("FICS"), and Credit & Real Estate Development Ltd. (CARED), a privately owned non-banking financial intermediary, and lending institution respectively, a position that he has held from November 2017. Mr. Theophilus has long standing prior experience in governance roles having served as a member of the Board of Directors of Radio St. Lucia, Monroe College Saint Lucia, and the National Youth Council amongst others.



Julian Charles

Mr. Julian Charles is a recently retired banker with over thirty years' experience in banking. He worked for six years at the Canadian Imperial Bank of Commerce (CIBC) and twenty-seven years at Bank of Saint Lucia Limited.

Mr. Charles has vast experience in the areas of retail and corporate lending, as well as Credit Risk and Recoveries and Securities. His most senior positions in banking were Assistant Manager of Credit Risk for the East Caribbean Financial Holding Company Limited (the parent company of Bank of St. Lucia Limited) and Manager of Special Loans, within the Recoveries Department of the Bank.

Academically Mr. Charles holds a Bachelor's degree in Banking and Finance from the University of Manchester, a Bachelors of Law from the University of Wolverhampton, as well as a Master's degree in Business Administration from Monroe College, Saint Lucia campus.

Outside of his professional life, Mr. Charles is a past St. Lucia, Windward Islands and West Indies B cricketer. He captained both St. Lucia and the Windward Islands at the Under 19 and senior levels.



Effrem Edgar

Mr. Effrem O. Edgar is a senior Attorney-at-Law of over twenty-five years, having been called to the Bar of England & Wales and Saint Lucia in 1995. He holds a Bachelor's degree with Honours in Law (minor in Accounting), a Master of Laws degree in Commercial and Corporate law from the London School of Economics and Political Science (University of London), a Diploma in Business Administration and an Advanced Diploma in Marketing Management respectively.

Mr. Edgar's career since his call to the Bar, has been spent in private legal practice as the Managing Partner of Edgar & Edgar Chambers from 1997 to 2019 which was rebranded in 2019 to EDGAR LAW Chambers of which he is the principal. Mr. Edgar's span of legal practice is wide ranging and includes the representation of financial institutions, corporate entities, statutory corporations and private individuals in diverse areas of the law.

Effrem Edgar
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Mr. Edgar's experience has not been limited to his private legal practice as he has made contributions through service with statutory bodies having formerly served as a Commissioner of the National Telecommunications Regulatory Commission, a Commissioner of the Teaching Service Commission and Deputy Chairperson of the National Housing Corporation.



Sean Alexander

Mr. Sean Alexander is an Assistant Superintendent of the Royal Saint Lucia Police Force (RSLPF) and serves as the nominee of the Minister with responsibility for National Security on Citizenship by the Investment Board. Mr. Alexander has a long-standing thirty-two-year career with the RSLPF and has worked in numerous departments namely the Criminal Investigations Department for six years, the Drug Unit for eight years, the Central Intelligence Unit for three years and the Major Crimes Unit for two years. Mr. Alexander's most recent postings has been with the Immigration Department from June 2016 to August 2018 as the Head of Immigration and his present posting effective from August 2018 to October 2021 is as the Commander of the Dennery and Richford Police Station. Mr Alexander has been awarded a Certificate of Commendation from the Commissioner of the RSLPF for exemplary performance and dedication to duty.

Apart from being well experienced in the work of numerous police departments, Mr. Alexander holds a Bachelor's degree in Criminal Justice from Monroe College and a Postgraduate Certificate in Security and Risk Management from Leicester University. There are also numerous training courses pursued by Mr. Alexander such as the Police Intelligence Management Training Course conducted by the Columbia National Police and Fraudulent Documents Identification Certificate conducted by the French Interior Ministry/National Police.



Rene Williams

Mr. Rene Williams is an Attorney-at-Law who has been practicing law for the last nineteen years. Mr. Williams is presently employed as a Senior Crown Counsel with the Attorney General's Chambers. Mr. Williams graduated with a Bachelor of Laws Degree from the University of the West Indies in 2000 and from the Sir Hugh Wooding Law School in 2002.

Mr Williams was admitted to practise in Saint Lucia in 2002 and initially practised with the Chambers of Hilford Deterville. Mr. Williams joined the Attorney General's Chambers as a Crown Counsel later that year. Mr. Williams represented the Government of Saint Lucia before various courts including Magistrate's Court, High Court and the Court of Appeal.

Mr. Williams served as Legal Counsel/Corporate Secretary for the Eastern Caribbean Civil Aviation Authority (ECCAA) in Antigua from 2008 to April 2017. Mr. Williams re-joined the Attorney General's Chambers in May 2017.



CITIZENSHIP BY INVESTMENT UNIT OVERVIEW

Mc Claude Emmanuel
Chief Executive Officer

Despite still dealing with the onslaught of the COVID-19 pandemic, the fiscal year 2021/2022 has proved overall to be the best year on record for the Saint Lucia Citizenship by Investment Programme realizing an increase in citizenship applications by 152% from the previous fiscal year 2020/2021. However, this fiscal year has recorded a decrease in investment inflows to the National Economic Fund (Donation) option (which had been the preferred option from the inception of the programme) owing to greater client interest in the Real Estate and COVID-19 Government Bonds Options.

Citizenship Platform

Having noticed a sharp increase in citizenship applications in the 1st quarter of 2021 (April – July) the Citizenship by Investment Unit immediately actioned out strategically on the enhancement of the Information Technology (IT) platform which is essential to the functioning of the Citizenship

by Investment Programme and processing of all citizenship applications. The Unit through the IT Department enhanced the reliability of the citizenship application portal, increased server specifications, upgraded server hardware and made improvements to the overall efficiency of the IT platform.

Human Resources

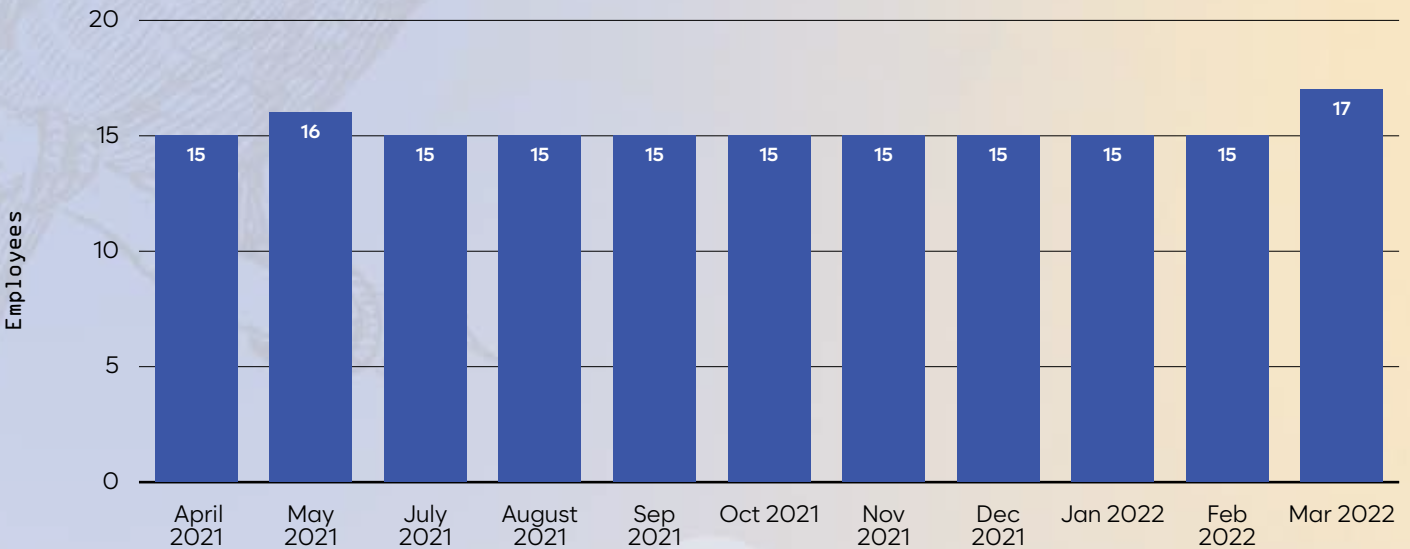
With technology being the driving power of any organization, it was only fitting that the heartbeat (the people) of the Citizenship by Investment Unit were aligned in ensuring efficiency, strategic implementation, and sustained growth of the Citizenship by Investment Programme. During the fiscal period 2021/2022, the Citizenship by Investment Board hired a total of five (5) professionals within the positions of Compliance & Verification, Office Administration, Information Technology (IT).





For the fiscal year 2021/2022, the Citizenship by Investment Unit maintained an average retention rate of seventy-four per cent (74%) to which a total of five (5) professionals were hired during the noted fiscal period.

Monthly Employee Headcount



The Investment Migration or Citizenship-by-Investment Industry is governed by core principles of transparency, efficiency and due diligence. As a result, a total of five (5) employees were enrolled and have completed the Certification in Investment Migration from the recognized issuing institute-the Investment Migration Council (IMC).

At present, this is the only recognized Professional Certification within the industry. To date, 42% of the Unit's employees have successfully completed the Certification in Investment Migration.

The Unit continues to work closely with the partnered Due Diligence Firms which facilitate

training sessions, meetings and information sessions focused on global nuances, changes to the regulations/laws, jurisdiction enhancement, anti money laundering and terrorist financing.

Marketing Initiatives

An essential component to the sustenance of any Citizenship by Investment Programme, is its ability to market its programme locally, regionally, and internationally. The Saint Lucia Citizenship by Investment Programme continues to work with licensed Authorised Agents, International Promoters and Marketing Agents whose mandate is to promote the Citizenship by Investment Programme globally, through foundational pillars



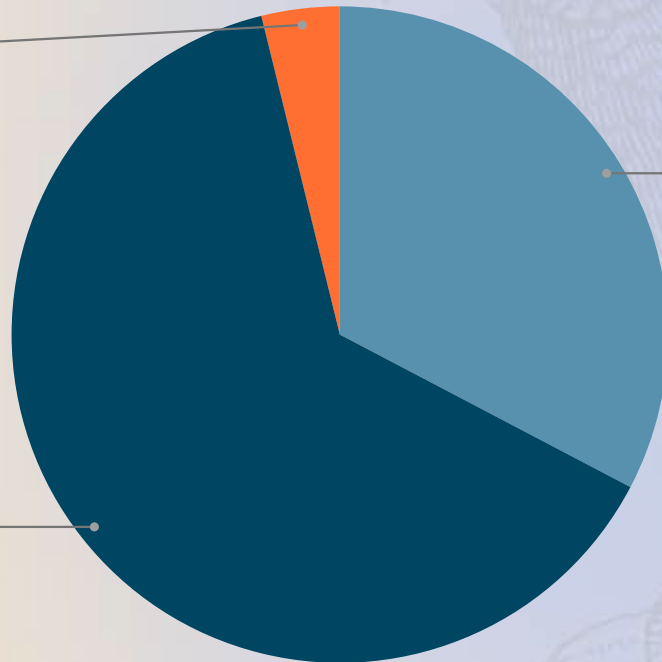
of transparency, good governance and thorough due diligence ensuring that Brand Saint Lucia is first choice for anyone seeking second citizenship and a place to call home.

Licensed Agents

Licensed Year: Jan - Dec 2022

Marketing Agents

3.8%

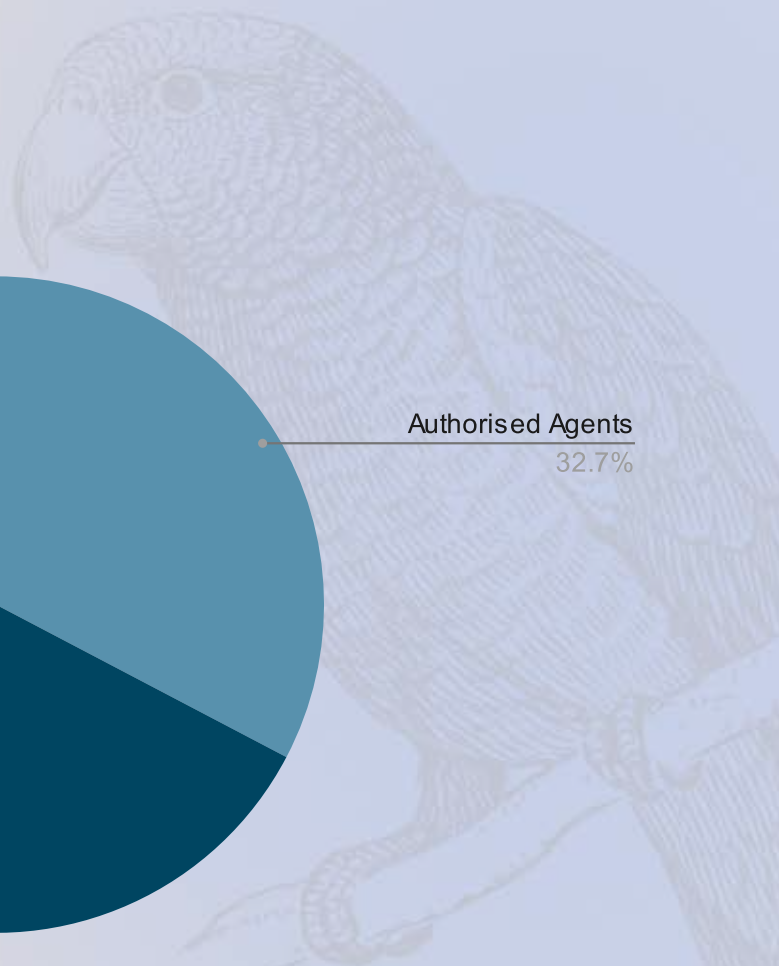


Authorised Agents

32.7%

Promoters

63.5%



Global Indian Series

The Citizenship by Investment Board engaged the services of Nazranroth Limited on July 14th, 2021 for a period of one year to provide support to the Citizenship by Investment Programme in developing a market strategy targeted at the Global Indian Community. The engagement primarily focused on targeting Nazranroth's noted expansive network through various strategic marketing and communications initiatives.

EXPO 2020 Dubai

EXPO 2020 Dubai officially opened doors to the world on October 1st, 2021, welcoming over 1.5 million ticket holders on-site as of October 31st, 2021. At roughly 50,000 guests per day, EXPO was well on track to welcome about nine million visitors over the six-month period ending March 31st, 2022.

The opportunity presented for the citizenship by investment programme's participation at EXPO 2020 Dubai was limitless. CIP Saint Lucia focused on relationship building and strategically positioned Saint Lucia as the top-of-the-mind destination for second citizenship. As a result, one employee with a focus on marketing and client relations was transferred to Dubai as CIPs main point of contact during the six (6)-month-long global EXPO.

Destination Saint Lucia, authentically on display at EXPO 2020 Dubai allowed for an effortless pitch for considering Saint Lucia as an option for second citizenship. During the 6-month period, Saint Lucia saw visitation to the pavilion by citizens who have been granted through the programme, potential citizens who are now in the application process, applicants considering dual citizenship and friends & families of citizens granted via the Saint Lucia CIP.





The overall design of the Saint Lucia pavilion topped up with the warmth of the staff on the ground – comradery, dance and laughter truly created an authentic Lucian vibe which was felt by all visitors to the pavilion.

The Citizenship by Investment Programme's presence at EXPO Dubai did not form part of the allocation from the Government of Saint Lucia which was managed by Export Saint Lucia. As a result, a separate budget was created within CIP Saint Lucia to facilitate the presence of the Citizenship by Investment Programme at EXPO 2020 Dubai.

The budgeted amount accounted for marketing material, branding at the pavilion, execution of events and meetings, logistical arrangements, and the use of international Agents to manage CIP's presence at the Saint Lucia pavilion during the 6-month period. Over the 6-month period, CIP Saint Lucia expended approximately 28% of its budgeted allocation for EXPO 2020 Dubai.

EXPO 2020 Dubai officially closed gates on March 31st, 2022 and CIP Saint Lucia is elated

at the incredible impact Saint Lucia has made in Dubai and the wider UAE market through the opportunity presented by EXPO 2020 Dubai. The awareness of and interest in the citizenship by investment programme have grown significantly.

A renewed sense of hope in the Saint Lucia, Citizenship by Investment Programme for both the international Promoters and local Authorised Agents who have confirmed a sense of increased citizenship application submissions during the next fiscal year 2022-2023.

Key Stakeholders

The Citizenship by Investment Unit has a robust multi-faceted approach to due diligence. Prior to receipt of a citizenship application, the partner agents vet the applicants through KYC (know your client) and other online database systems ensuring that the applicants are the right fit for the Saint Lucia programme. Additionally, during the verification and vetting of an application for citizenship, the Citizenship by Investment Unit works closely with local law enforcement, regional intelligence partners and third party international firms.



Due Diligence continues to be a core foundational principle of the operations of the Citizenship by Investment Programme.





IMC
MEMBER

The Saint Lucia Citizenship by Investment Programme is a yearly registered and licensed member of the Investment Migration Council (IMC).

The Investment Migration Council (IMC) is a worldwide association for investment migration and citizenship by investment. The IMC sets the standards on a global level and interacts with professional associations, governments, and international organizations in relation to the investment migration industry. The Council's license year runs for the period January – to December.

Management's Vision

The recent turmoil in Eastern Europe coupled with negativity fueled in large part by misinformation has crystallized the need to diversify the Unit's efforts while continuously improving on our already robust due diligence processes.

The citizenship by investment industry is highly competitive and it is therefore imperative that the Unit maintains the highest efficiency in the processing of applications. The recent Board mandate to reduce processing time by almost 50% will ensure we work closely with third party stakeholders to meet the desired turnaround times. This will be facilitated by in-house training, improved capacity and the move to a paperless system which will eliminate the lags associated with delivery of process-critical documents.

The Unit looks forward to penetrating non-traditional markets, leveraging "Brand Saint Lucia" to offer a proposition of mobility and lifestyle opportunities. We have already commenced collaboration with sister agencies, including the Export Saint Lucia led Dubai Expo 2020 participation and the Tourism Authority initiated Summer Trade Show where the Programme was represented by members of staff.

Looking ahead, citizens can expect an increase in the visibility of the Programme. With the collaboration of Invest Saint Lucia, Export Saint Lucia and the Saint Lucia Tourism Authority, global citizens visiting our shores will be informed of the myriad of opportunities abound by becoming part of Saint Lucia. Our vision entails going past our core function of processing by assisting with the identification of opportunities as we go beyond the passport.



INTRODUCTION TO THE CITIZENSHIP BY INVESTMENT PROGRAMME

Saint Lucia

Saint Lucia is a services driven economy led by tourism, insurance and financial services. With tourism contributing the highest foreign exchange and direct investment, it is imperative that small open economies like ours mitigate the vulnerabilities associated with over reliance on a single sector by venturing into new revenue generating industries. CIP Saint Lucia seeks to leverage the brand and lifestyle opportunities of Saint Lucia into revenue generating opportunities that have grown since it commenced receipt of citizenship applications on January 1st, 2016.

The fiscal year 2021/2022 marks the sixth year

of operations for the Saint Lucia Citizenship by Investment Programme. It is the youngest citizenship programme within the region, with the first citizenship programme in the caribbean having been established over 35 years ago.

The Citizenship by Investment Programme in Saint Lucia has generated a total of EC \$268,342,032 to which a total sum of EC \$212,707,588 net of 20% allocation for marketing and promotions and foreign exchange loss has been remitted to the Government of Saint Lucia through the Consolidated Fund and the National Economic Fund for the period January 2016 – March 2022.

Cash Disbursement to the Government of Saint Lucia

Jan 2016 - Mar 2022

- Consolidated Fund (Jan 2016 - May 2019)
- National Economic Fund (Jun 2019 - Mar 2022)
- Consolidated Fund: Excess Cash (Apr 2020 - Mar 2021)



200

400

600



Although legislated, the National Economic Fund was enacted on July 2, 2019, for such purpose of a donation investment. Before the establishment of the National Economic Fund, the Citizenship by Investment Unit remitted cash disbursements to the Government of Saint Lucia through the Consolidated Fund.

The established functions of the National Economic Fund are:

- a. To advance loans for government-approved projects
- b. To provide investment for Government approved capital projects
- c. To reduce government debt; and
- d. To purchase government bonds;

In the ethos of transparency to the people of Saint Lucia, an independent Board has been established to manage those funds ensuring accountability and transparency in line with legislation. The Board consists of no

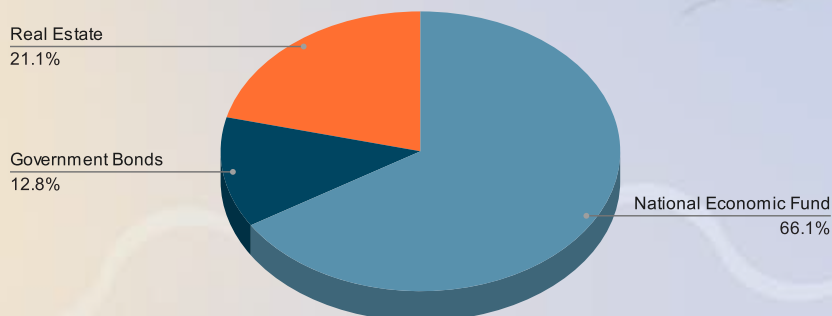
less than five and no more than seven members appointed by Cabinet.

The Citizenship by Investment Programme currently features four (4) qualifying investment options:

1. National Economic Fund (Donation) starting at US \$100,000 for a single applicant
2. Approved Real Estate Project (Saint Lucia Canelles Resort) starting at US \$300,000 for a single applicant in addition to the relevant administrative fees and;
3. Government Bond Options
 - a. Regular Government Bonds starting at US \$500,000 for a single applicant and;
 - b. "COVID-19" Government Bonds starting at US \$250,000 for a single applicant in addition to the relevant administrative fees.
4. Enterprise Project (US \$1 million)

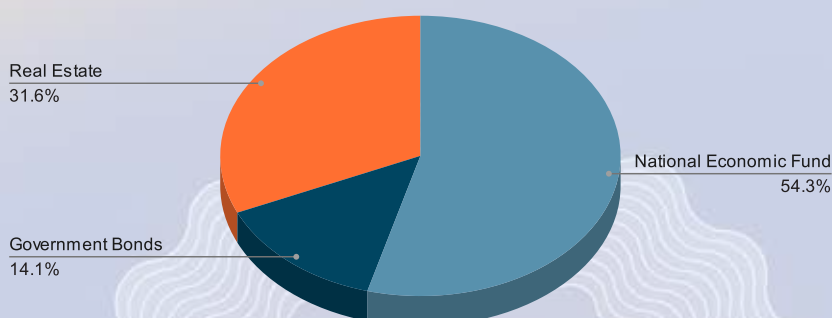
Citizens Preferred Investment Option

YR 2020 - 2021



Citizens Preferred Investment Option

YR 2021 -2022





CITIZENS INVESTMENT/ FINANCIAL CONTRIBUTION

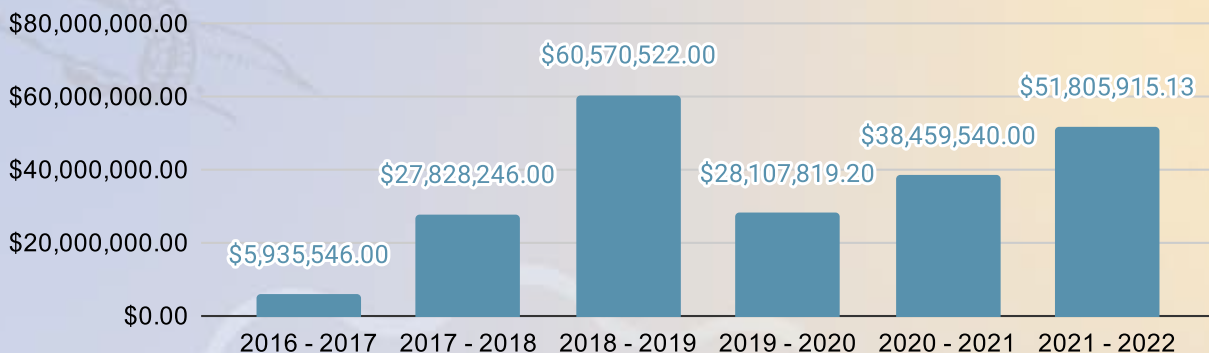
To the economic development of Saint Lucia

The Citizenship by Investment Programme obtains funds through the following means:

1. Investment into the **National Economic Fund**
 - a. 80% of the investment amount made by an applicant is remitted to the Government of Saint Lucia through the National Economic Fund.
 - b. The other 20% of the investment amount is retained by the Citizenship by Investment Unit for the purpose of marketing the programme globally.

Cash Inflow via the National Economic Fund

Per Fiscal Year: Jan 2016 - Mar 2022

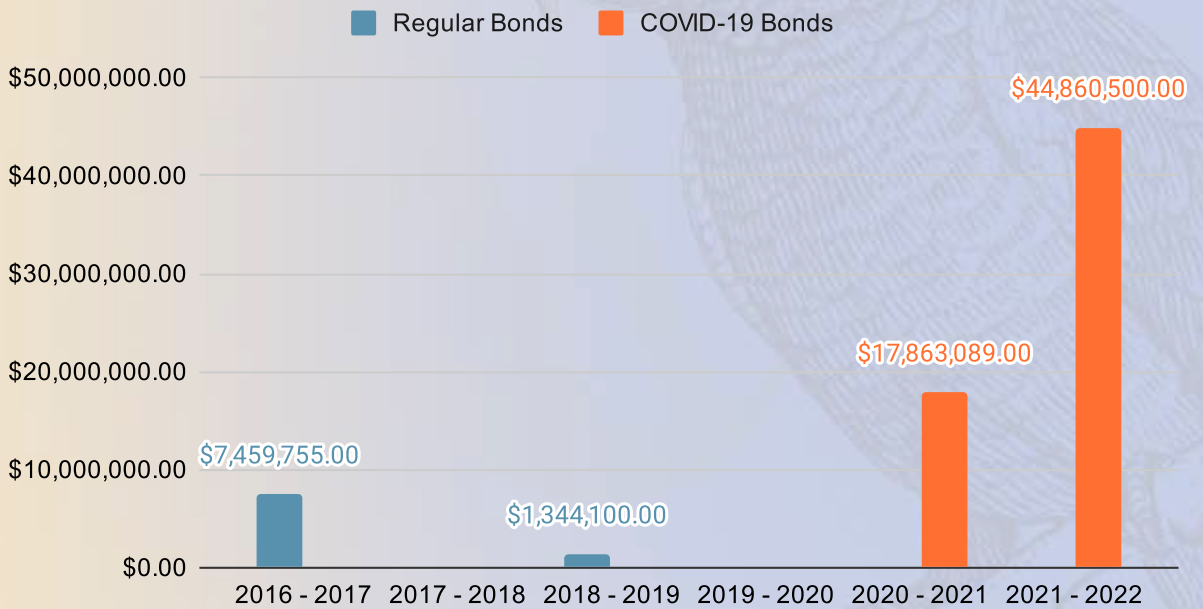




2. Investment into **Government Bonds**

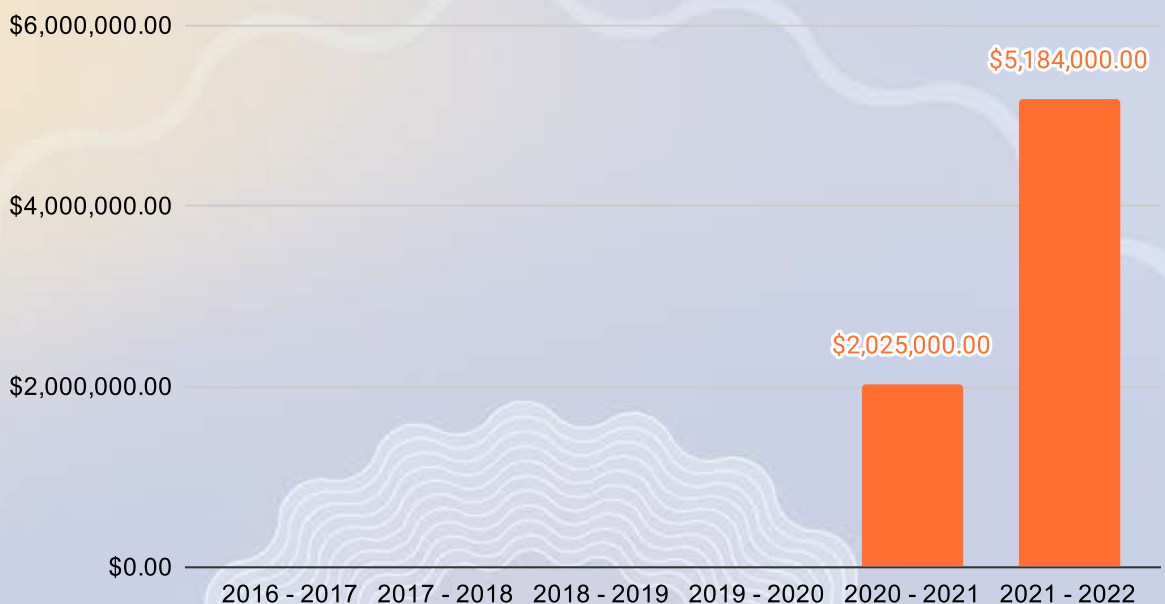
- a. 100% of the bond amount made by an applicant is remitted to the Government of Saint Lucia and managed by the Ministry of Finance.

Cash Inflow via Government Bonds
Per Fiscal Year: Jan 2016 - Mar 2022



- b. The Citizenship by Investment Unit retains the **administrative fee** paid by the citizen for this investment option. There is no administrative fee applicable for the regular Government Bond option.

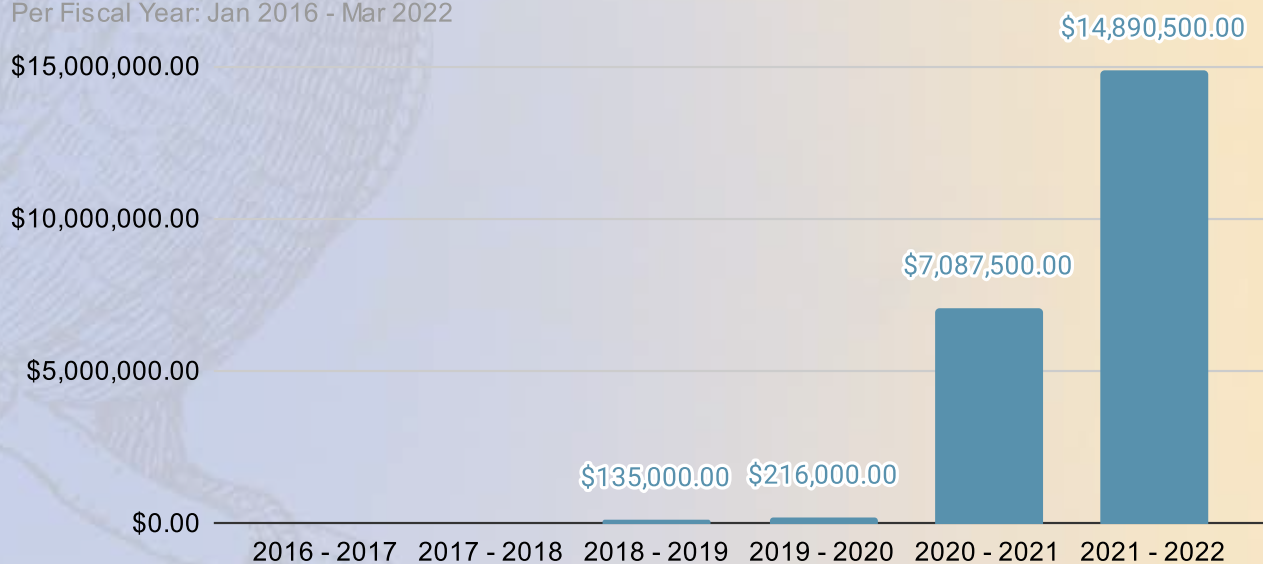
Administrative Fee: Government Bonds
Per Fiscal Year: 2020 - Mar 2022





3. Investment into **Real Estate** (CIP approved real estate project)
 - a. 100% of the Real Estate amount made by an applicant is remitted to an escrow account and managed by an approved escrow agent for the construction of the Real Estate property as identified by the applicant. The Applicant (now a citizen of Saint Lucia) would be issued the title deed to the property.
 - b. The Citizenship by Investment Unit retains the administrative fee paid by the citizen for this investment option.

Administrative Fee: Real Estate
Per Fiscal Year: Jan 2016 - Mar 2022



4. The Citizenship application **Processing Fees**
 - a. Processing fees are non-refundable and are paid by each applicant for the processing of an application for citizenship except those who opt to invest in an approved real estate project or purchase a Covid-19 relief bond.
 - Principal or Main Applicant - US \$2,000
 - Every other dependent i.e spouse, children, parents, etc.- US \$1,000



The Citizenship by Investment Unit ("the Unit") operates on a fiscal year budget commencing April to March and as a result, operates as per its Annual Work Plan and Budget for the specific year presented and approved from the prior year.

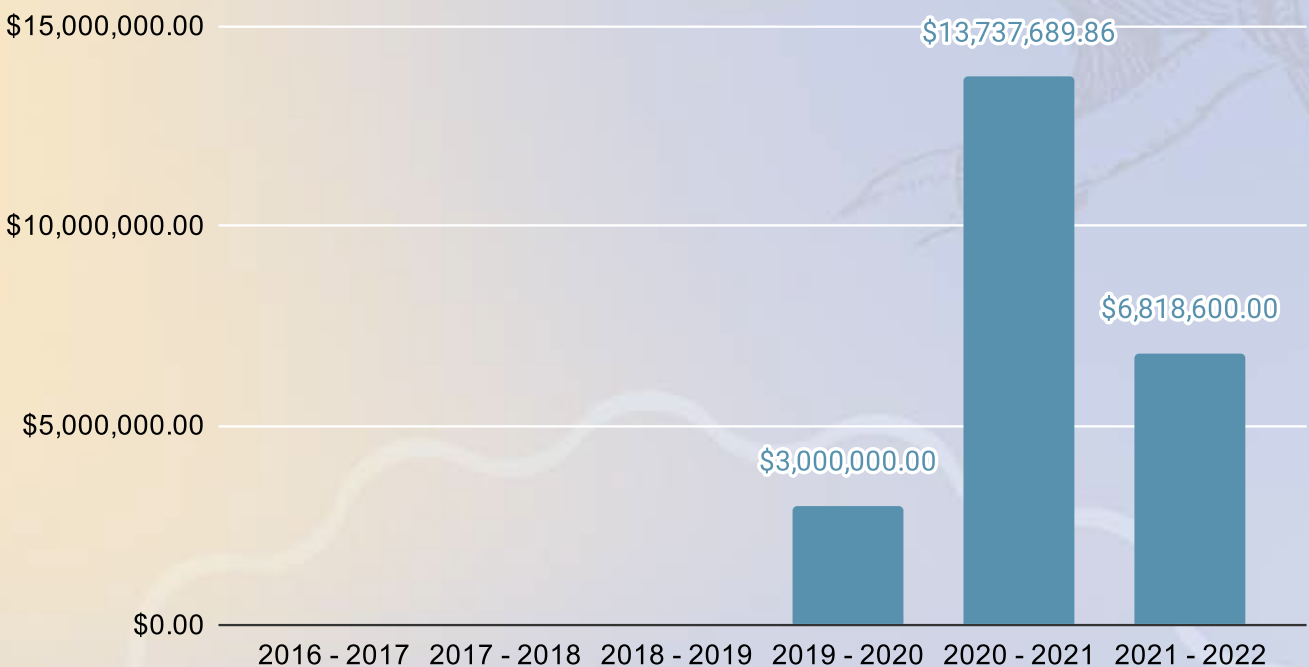
The Unit has realized an upward trend in its performance over the past four (4) consecutive years which has resulted in an increased number of citizenship applications and financial contribution to the Government of Saint Lucia. Over the past three (3) consecutive years - 2020 to 2022, the Citizenship by Investment Unit has had cash beyond its yearly budgetary projections.

These Excess Funds are derived from the administrative fees retained by the Citizenship Unit from the Real Estate and COVID-19 Bond investment options.

For the fiscal YR2021-2022, the Citizenship by Investment Unit has transferred a net sum (minus foreign exchange loss) of \$6,818,600 to the Government of Saint Lucia. To date, a total of \$23,556,290 has been remitted to the Government of Saint Lucia as Excess Funds from the Citizenship by Investment Programme. These funds are remitted via the Consolidated Fund.

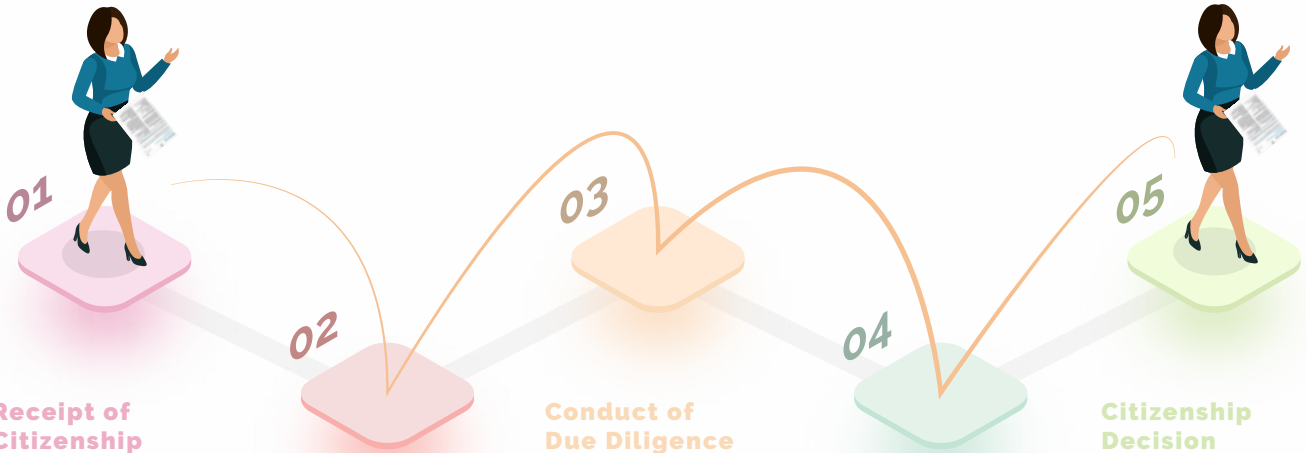
CIP Excess Funds to Government of Saint Lucia

Per Fiscal Year: 2020 - 2022





CITIZENSHIP APPLICATION PROCESS IN SAINT LUCIA



Receipt of Citizenship Application

All applications for citizenship are received in physical and electronic form.

CIP Saint Lucia has a dedicated online portal which allows for the processing of applications for citizenship online.

Verification of Documents

They ensure that every applicant submits the required forms and supporting documents to allow for the processing of the application.

The Verification Department ensures that all applications received are complete and in compliance with CIP legislation and Guidelines.

Conduct of Due Diligence

CIP Saint Lucia has a three-tier approach to due diligence which is standard for every applicant.

- KYC- Know Your Client (Online Database)
- Local Law Enforcement (RSLPF) & Regional Border Control
- 3rd Party - International Due Diligence Firms

The Due Diligence (DD) Department ensures that the applicant is- 'who he says he is' - through vetting and the conduct of due diligence on every applicant above the age of 16 years.

Application Review & Recommendation

Once the team are fully satisfied with the findings of an individual and sufficient information is obtained on the applicant to make an informed decision.

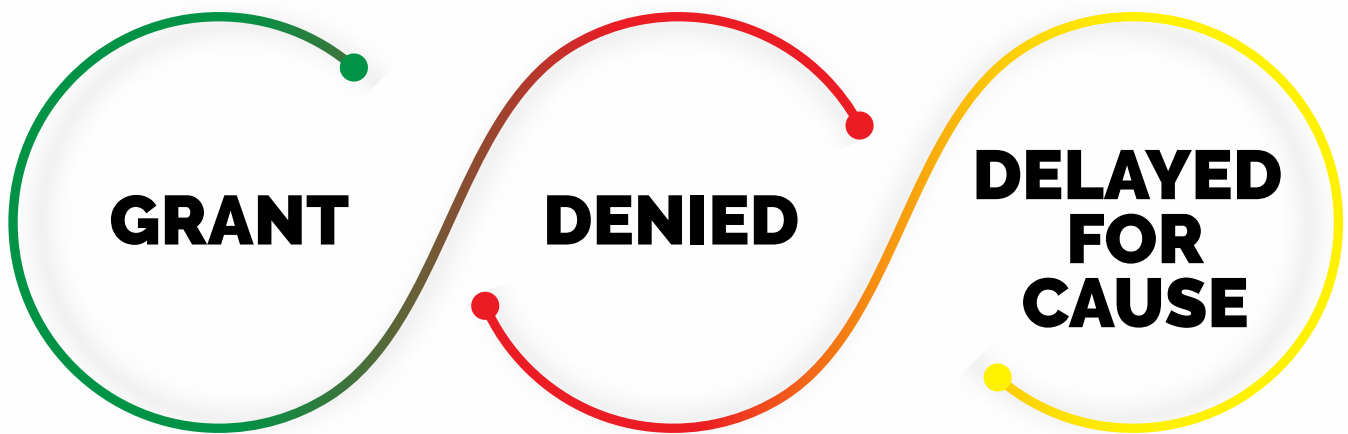
A recommendation is prepared by the Chief Executive Officer (CEO) to the Board of Directors recommending the grant or denial of an application for citizenship.

Citizenship Decision

The Board of Directors reviews the application and the due diligence findings on the applicant. Thereafter, a final decision is made to grant or deny an application.

There may be instances where the Board may 'delay for cause' an application, pending further information.

Once a unanimous decision is made by the Board, the applicants are thereafter informed of the decision of their application, through status: Grant, Deny, delay for cause.



GRANT

The Applicant is informed of the status of his/her application.

All requisite requirements must be fulfilled before the issuance of Saint Lucian Citizenship.

The applicant is thereby required to make their:

- Qualifying Investment - one of the four investment options
- Sign the Oath or Affirmation of Allegiance to Saint Lucia and;
- Pay any applicable administrative fees

Once the applicant has met the above requirements. The individual is then issued a Certificate of Registration otherwise known as the Citizenship Certificate.

Being a citizen of Saint Lucia allows for all rights and entitlements as held by any other citizen.

The citizen may, through their appointed proxy or local Agent, apply for a national insurance number, passport and national identification through the relevant governing bodies.

DENIED

The Applicant is informed on the status of his/her application and the reasoning for the denial as per the governing Act.

This is the end of the citizenship application process for the Unit, the Board and the applicant.

The applicant is not required to make an investment or meet any other requirements.

The applicant may apply to the Minister with Responsibility for the CIP Programme requesting a review of the denial of their application. In effect, this is an appeal of the denial of the application on five grounds inclusive of the incorrect application of the law or that the Board did not have evidence to support its findings against the applicant. The Minister may co-opt additional persons with expert knowledge or experience to provide the necessary advice and upon consideration of the application, approve or deny the application for citizenship by investment

DELAYED FOR CAUSE

The Applicant is informed of the status of his/her application and a request is made for the applicant to provide clarification and/or information by means of additional documentation to the Unit and Board for further consideration and final decision.

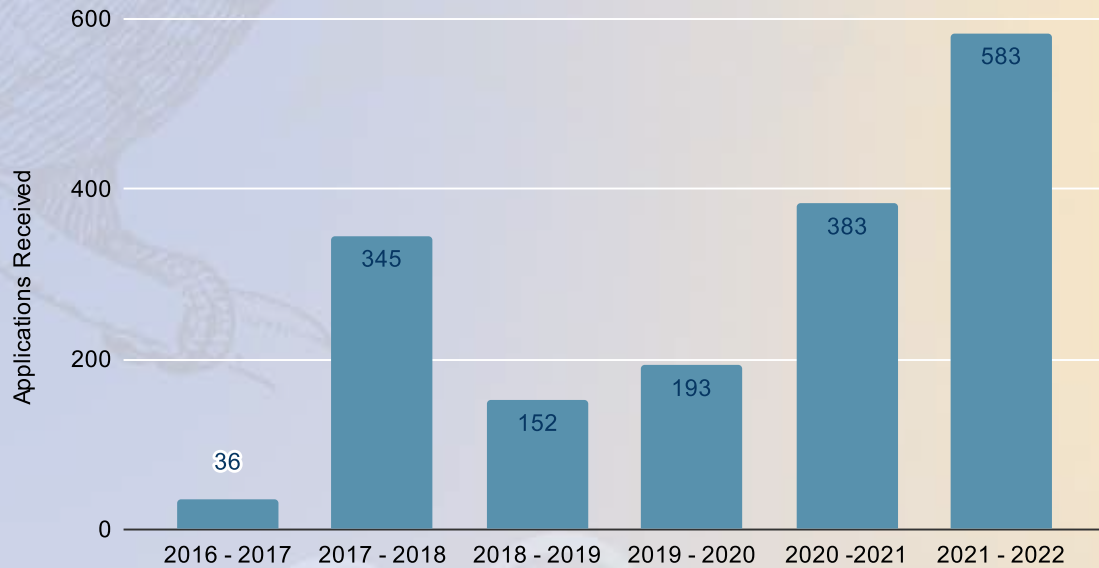
Once the applicant has provided the requested information and, the Unit and the Board are satisfied with the request, a final decision is made by the Board to grant or deny the application for citizenship.



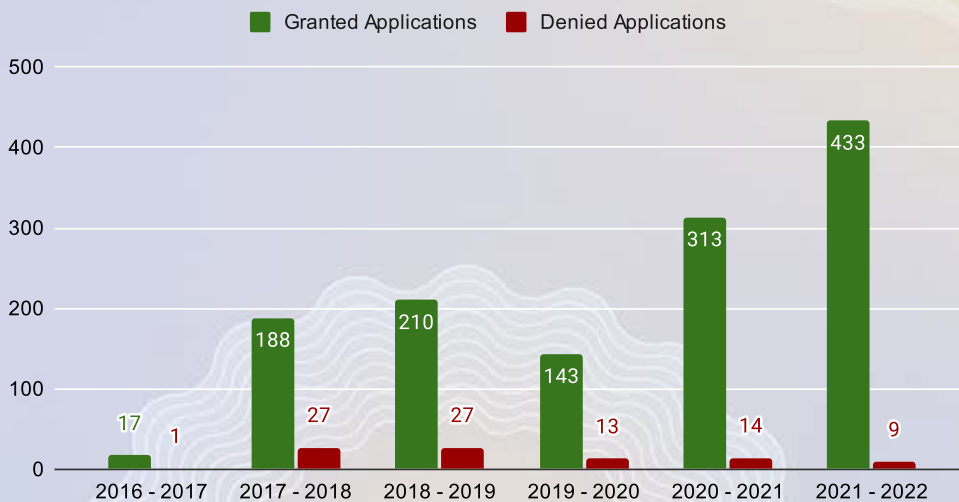
CITIZENSHIP APPLICATION STATISTICS RECEIVED

Six-Year Citizenship Application Trends

Citizenship Applications Received
Per Fiscal Year: Jan 2016 - Mar 2022



Citizenship Applications Granted & Denied
Per Fiscal Year: Jan 2016 - Mar 2022

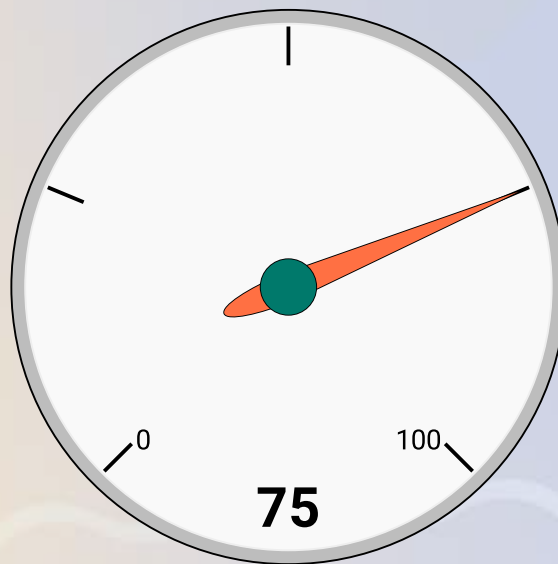




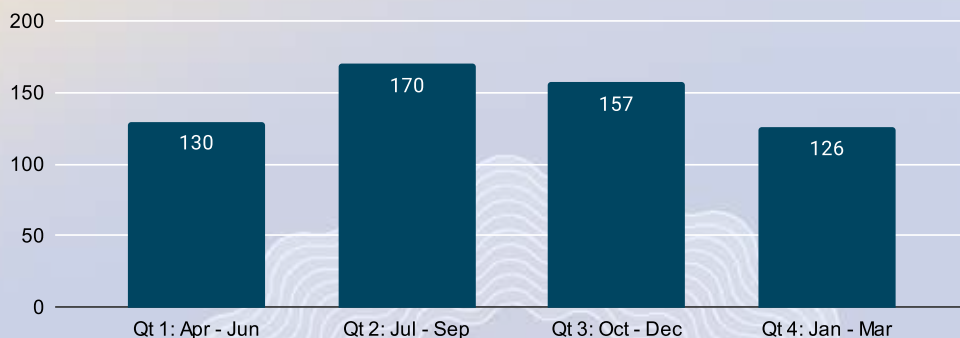
REVIEW OF CITIZENSHIP APPLICATIONS FOR THE REPORTING FISCAL YEAR 2021-2022

Citizenship Applications Received:
April 2021 - March 2022

Average processing time



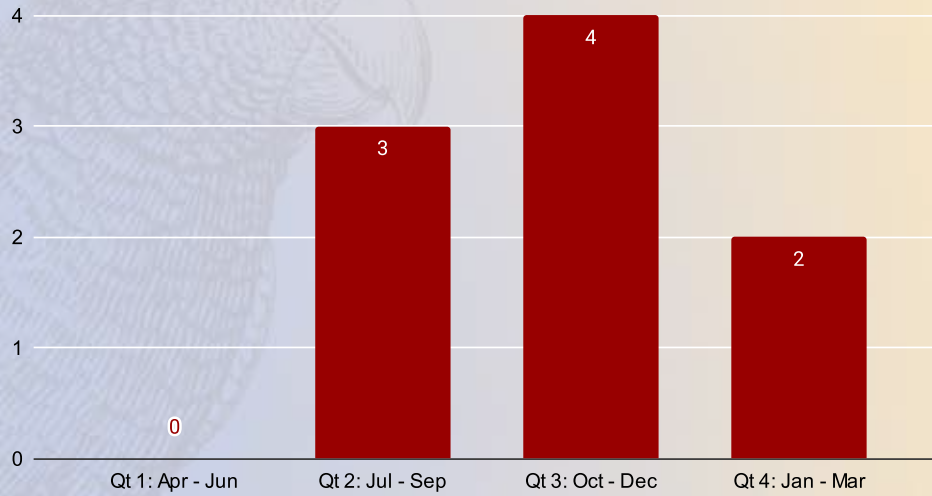
Citizenship Applications Received Per Quarter
Fiscal Year: 2021 - 2022





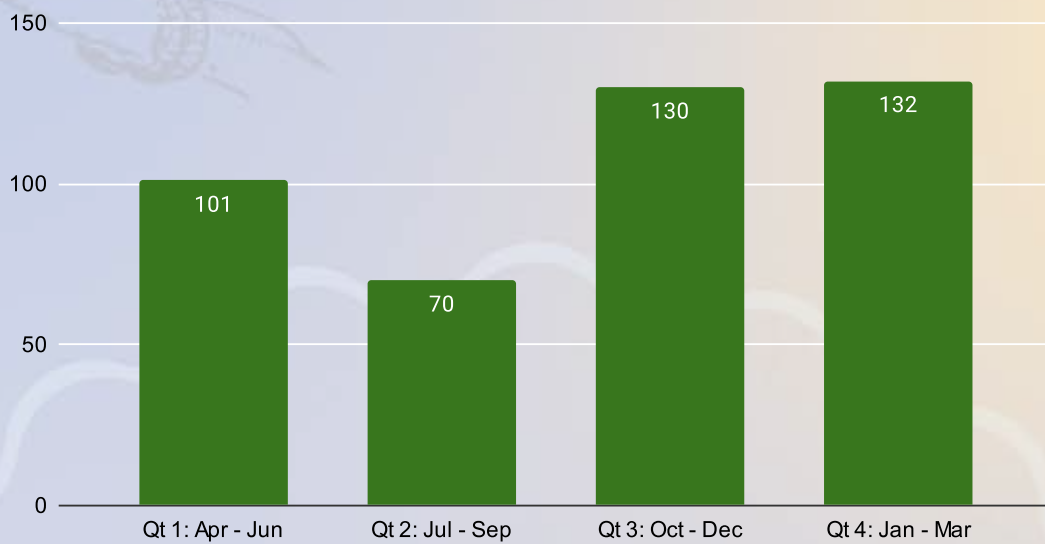
Citizenship Applications Denied: April 2021 - March 2022

Citizenship Applications Denied Per Quarter
Fiscal Year: 2021 - 2022



Citizenship Applications Granted: April 2021 - March 2022

Citizenship Applications Granted Per Quarter
Fiscal Year: 2021 - 2022

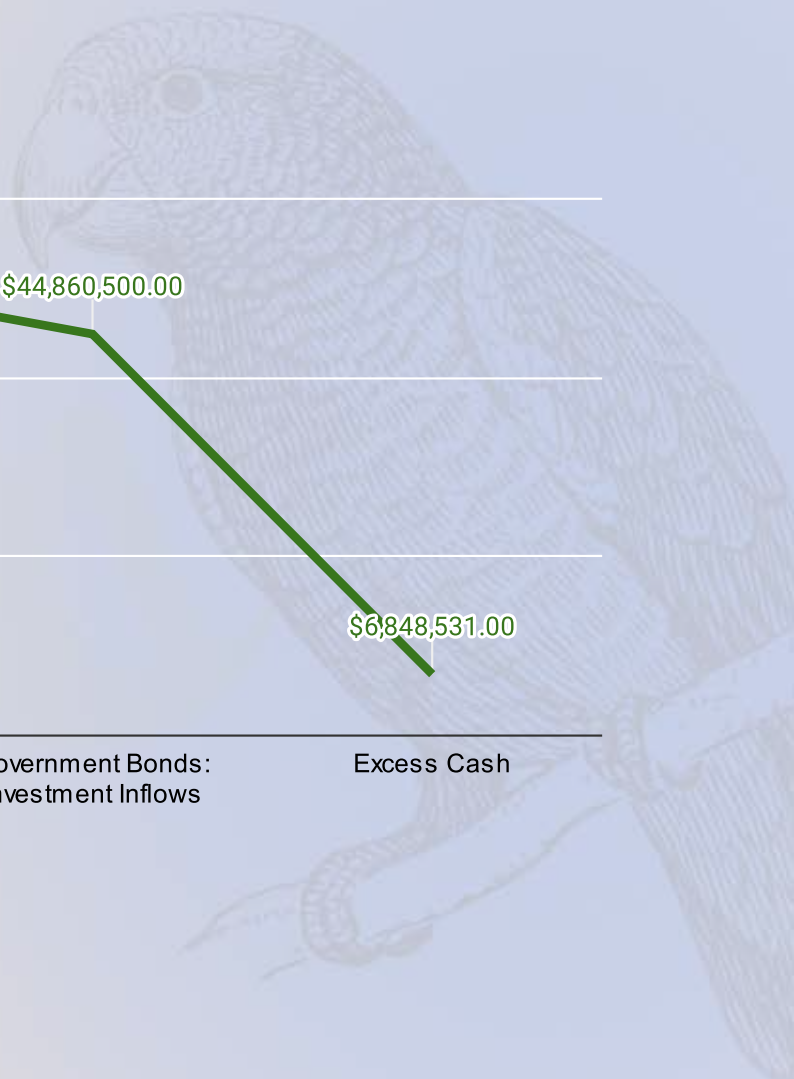
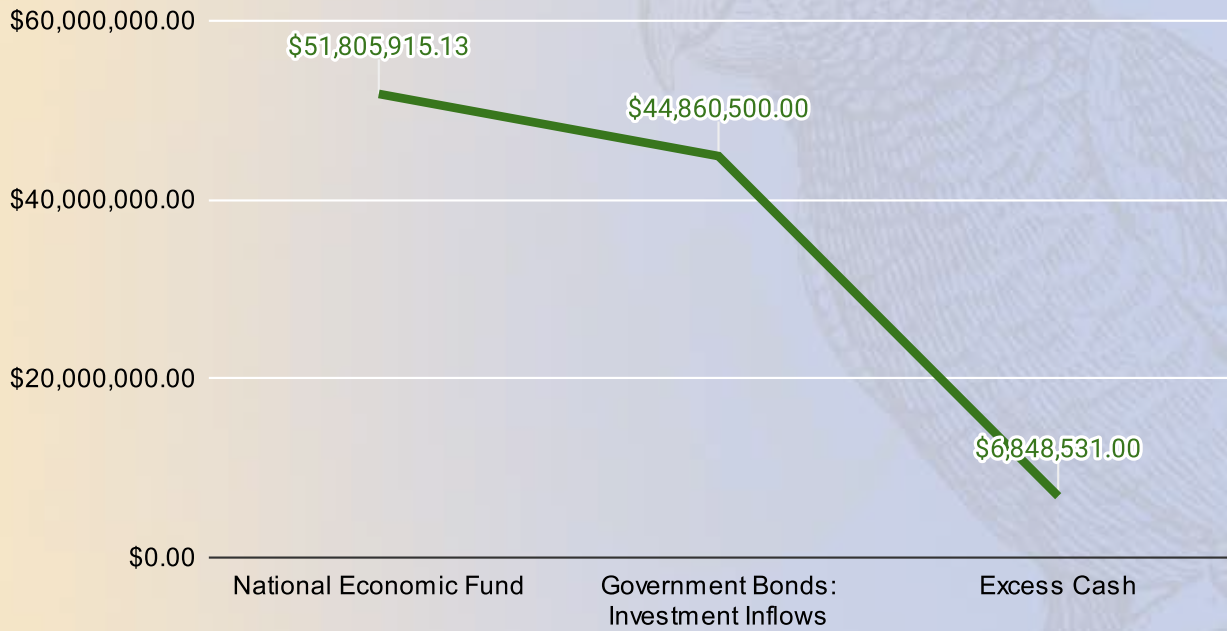




Investment Inflow to Government of Saint Lucia: April 2021 - March 2022

Citizenship by Investment Programme: Cash Inflows

Fiscal Year: Apr 2021 - Mar 2022





THE EXTRAORDINARY FACES BEHIND THE CITIZENSHIP BY INVESTMENT PROGRAMME

Saint Lucian professionals giving back to the development of country (home)

"Our goals are to foster a high performance culture at the CIP Unit by harnessing the talent of the human resource within the Unit which will result in greater efficiencies, ensuring the programme is best-in-class in the Caribbean. By this I mean continuous training and development

for staff, improvement in the processing time of citizenship applications through innovation, system and added value not compromising the Due diligence processes, which include Law-enforcement, Third party checks and regional border control."

- Chief Operating Officer,
Christopher Paul.

ORGANIZATIONAL CHART - STAFF LISTING

★ (long-standing staff) - staff employed from the inception of the Citizenship by Investment Programme



ALIEN LANDHOLDING LICENSING DEPARTMENT

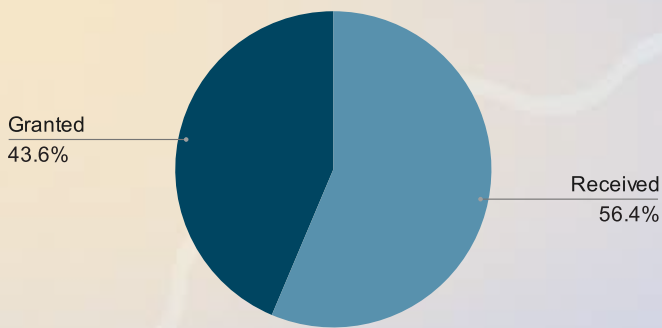
Non-nationals are required to obtain an alien landholding licence (ALHL) to acquire or lease property in St. Lucia. The Alien Landholding (Licensing) Department under the Citizenship by Investment Unit was established under the newly enacted Alien Landholding (Licensing) Act No. 1 of 2020 which brought the ALHL application process within the purview of the Unit. Additionally, the decision-making power to grant an application for an alien landholding licence was entrusted to the Citizenship by Investment Board. The Act sought to streamline the application process for foreigners looking to invest in St. Lucia and add a heightened level of due diligence by bringing these applications under the umbrella of the Unit.

The Department is responsible for the processing and issuing of Certificates of Eligibility and

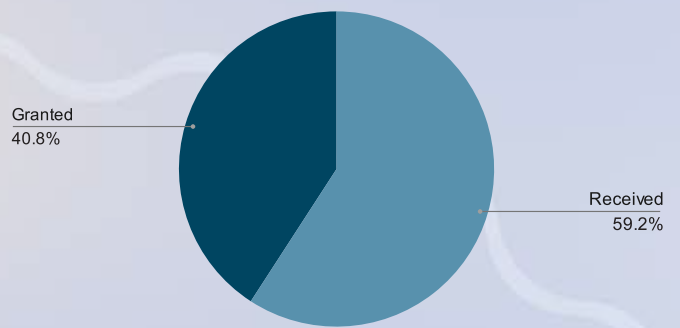
Alien Landholding Licenses under the new two-stage application process. The time to process applications since the old regime has now been significantly reduced by the Department with more than 70 applications processed for the year 2021 with a continued predicted trend.

Additionally, the Department issues letters in support for Alien Investor Permits for foreigners who hold a Certificate of Eligibility and an Alien Landholding License which grants the alien the right to enter and remain in Saint Lucia indefinitely as per conditions set out within the Alien Landholding License. The Department strives to continue to deliver on being the additional string to the St. Lucia Citizenship by Investment Program's bow by making it more seamless for foreign investors to actively engage and truly achieve global citizenship.

Applications Received and Granted
Certificate of Eligibility



Applications Received and Granted
Alien Landholding License



48 Certificates of Eligibility were granted during the year and 29 Alien Landholding Licenses were granted during the year.

Overview

Financial Results Year ended 2021/2022

Since the Citizenship by Investment Programme commenced in January 2016, the period 2021/2022 has been a year of phenomenal performance. Applications to the programme were at their highest level with real estate and Covid 19 Bonds contributing significantly to that increase.

A net surplus of EC\$27,734,390 was realized in comparison to budget at EC\$12,290,751 and the prior year at EC\$15,455,063. This performance has been attributed to the increase in applications received and the impact of administrative fees received from Real Estate and the Covid 19 Special Bonds of EC\$20,074,500.

Overall gross revenue earned is EC\$54,169,344 and grew by 62% over prior year 2020/21 of which operating income is EC\$54,154,643 compared to prior year 2021/22 at EC\$33,447,599

Programme Costs driven by the increase in applications and revenues earned is at EC\$23,629,192 reflecting an increase of EC\$8,115,207 over prior year.

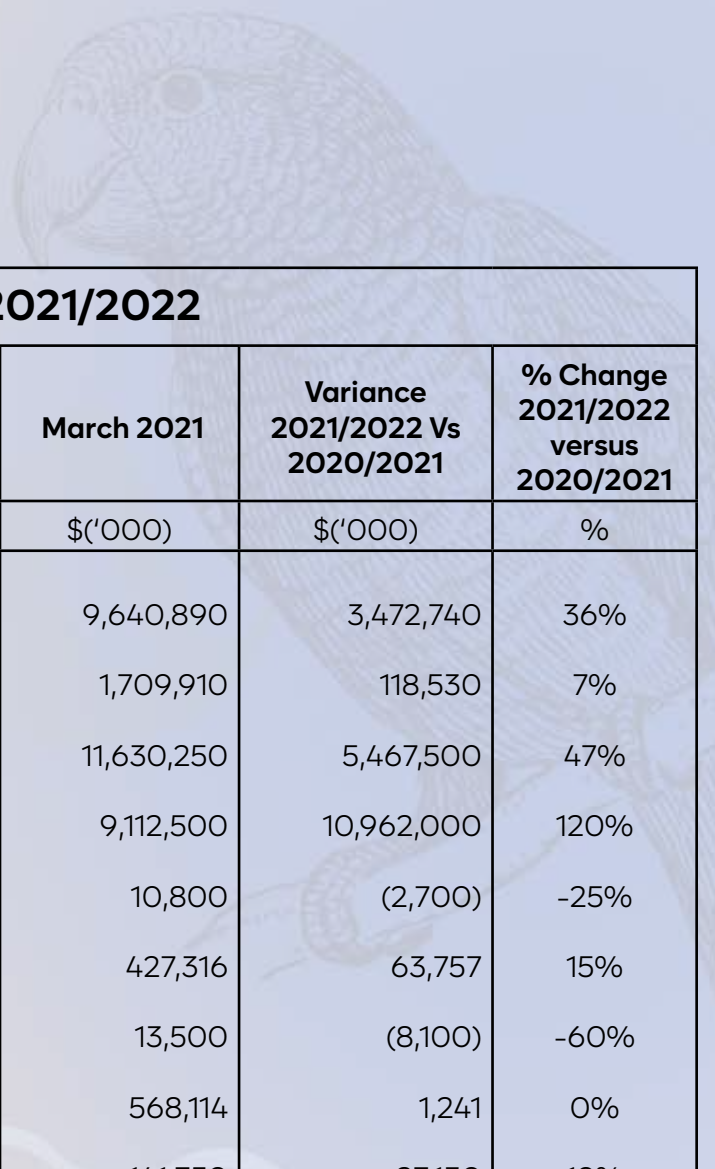
Total operating expenses are at EC\$2,791,871 whilst prior year was at EC\$2,473,459, reflecting a 13% increase.

Revenue

Total revenue from ordinary activities is EC\$54,154,643 compared to EC\$33,447,599 in 2020/21. This represents a 62% increase over the prior year.

The significant drivers of revenue in this period are as follows:

- Administrative fees from Real Estate and Covid 19 Bonds -EC\$20,074,500; contributing 37.24% to total revenue.
- Due Diligence Fees -EC\$17,097,750 from new applications. Contribution to total revenue is 31.72%.
- Twenty percent (20%) Marketing and Promotion Fees retained from donations, EC\$13,116,630. Contribution to total revenue is 24.33%.



| Revenue 2021/2022 | | | | |
|--|-------------------|-------------------|--|--|
| Revenue Categories | March 2022 | March 2021 | Variance 2021/2022 Vs 2020/2021 | % Change 2021/2022 versus 2020/2021 |
| | \$(‘000) | \$(‘000) | \$(‘000) | % |
| 20% Marketing & Promotions from Donations | 13,113,630 | 9,640,890 | 3,472,740 | 36% |
| Processing Fees | 1,828,440 | 1,709,910 | 118,530 | 7% |
| Due Diligence Fees | 17,097,750 | 11,630,250 | 5,467,500 | 47% |
| Administrative Fees Authorizing Agents - Application Fees | 20,074,500 | 9,112,500 | 10,962,000 | 120% |
| Authorizing Agents - Licence Fees | 8,100 | 10,800 | (2,700) | -25% |
| Promoter - Application Fees | 491,073 | 427,316 | 63,757 | 15% |
| Promoter - Licence Fee | 5,400 | 13,500 | (8,100) | -60% |
| Marketing Agents - Licence Fees | 569,356 | 568,114 | 1,241 | 0% |
| Alien Landholding-Application Fees | 168,880 | 141,750 | 27,130 | 19% |
| Other Income | 542,700 | 132,300 | 410,400 | 310% |
| | 254,814 | 60,269 | 194,545 | 323% |
| | 54,154,643 | 33,447,599 | 20,707,044 | 62% |

Programme Costs

Direct programme cost is at \$23,629,192 exceeding prior year 2020/2021 by \$8,112,507 or 52%.

Cost is impacted by the commissions to Authorized Agents, Promoters and Marketing Agents in addition to due diligence expenses incurred resulting from the increase in applications over the prior year.

| Programme Costs 2021/2022 | | | | |
|---|-------------------|-------------------|--|--|
| Programme Costs | March 2022 | March 2021 | Variance 2021/2020 Vs 2020/2021 | % Change 2021/2022 versus 2020/2021 |
| | \$('000) | \$('000) | \$('000) | % |
| Authorized Agents /Promoters Commissions | 10,959,689 | 7,010,455 | 3,949,234 | 56% |
| Marketing Agents (10% from Donations & Admin Fees) | 690,863 | 752,625 | (61,762) | -8% |
| Due Diligence expenses | 10,787,136 | 7,397,639 | 3,389,497 | 46% |
| Marketing, Investor Relations & Promotions | 1,026,324 | 355,966 | 670,358 | 188% |
| Business Travel Overseas | 165,180 | 0.00 | 165,180 | 100% |
| | 23,629,192 | 15,516,685 | 8,112,507 | 52% |

Operating Expenses

Operating expenses surpassed the prior year by 13% or \$318,412. This was attributed to a greater focus being placed on the human resource aspect of the organization and recommendations implemented from an HR consultancy's report including staff training and development.

Notwithstanding the above, expenses were also impacted from the use of the Electronic Processing Platform by applicants making payments by way of credit cards.

| Operating Expenses 2021/2022 | | | | |
|-------------------------------------|-------------------|-------------------|--|--|
| Operating Expenses | March 2022 | March 2021 | Variance 2021/2022 Vs 2020/2021 | % Change 2021/2022 versus 2020/2021 |
| | \$('000) | \$('000) | \$('000) | % |
| Payroll Costs | 1,874,507 | 1,671,703 | 202,804 | 12% |
| Depreciation & Amortization | 179,402 | 188,791 | (9,389) | -5% |
| Communication & IT | 159,694 | 166,438 | (6,744) | -4% |
| Board Remuneration | 123,548 | 142,000 | (18,452) | -13% |
| Professional Fees (Audit) | 34,712 | 31,000 | 3,712 | 12% |
| Staff training & Development | 69,272 | 4,316 | 64,956 | 1505% |
| Consultancy | 53,568 | 1,251 | 52,317 | 4184% |
| Legal Fees | - | 82,100 | (82,100) | -100% |
| Office Supplies & Services | 221,133 | 110,282 | 110,851 | 100% |
| Utilities | 66,810 | 62,958 | 3,852 | 6% |
| Transportation | 9,225 | 12,620 | (3,395) | -27% |
| | 2,791,871 | 2,473,459 | 318,412 | 13% |



Balance Sheet

Total assets increased significantly by \$25,224,439 in comparison to prior year 2020/2021 with the main contributing factor being cash at \$37,114,034 and prior year at \$12,003,411.

Total current liabilities are at \$11,287,867 compared to prior year 2020/2021 at \$7,144,770 representing an increase of \$4,143,097 or 58%. The increase in due diligence expenses stemming from the growth in applications and Value Added Tax payable has contributed to the 58% increase in liabilities.

Working Capital Ratio is at 3.31 for the period ended in contrast to 1.74 for the year 2020/2021. This indicates that the Unit is in a strong position in honouring its obligations.

Shareholder's equity grew by \$20,885,859 in comparison to the previous year as performance in this period was phenomenal netting a surplus of \$27,734,390 of which \$6,848,531 was distributed to government as excess cash.

JD0000000000

CITIZENSHIP BY INVESTMENT UNIT

Financial Statements

March 31, 2022

(expressed in Eastern Caribbean dollars)



, 2022

Independent Auditor's Report

To the Shareholders of The Citizenship by Investment Unit

Report on the financial statements

Opinion

We have audited the accompanying financial statements of **The Citizenship by Investment Unit** (the "Unit") which comprise the statement of financial position as of March 31, 2022, and the statements of operations, net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the **The Citizenship by Investment Unit** as of March 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Unit in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Eastern Caribbean, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Unit or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Unit's financial reporting process.

Independent Auditor's Report...continued

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Accountants

Citizenship by Investment Unit

Statement of Financial Position
As of March 31, 2022

(expressed in Eastern Caribbean dollars)

| | 2022 \$ | 2021 \$ |
|--|-------------------|-------------------|
| Assets | | |
| Current assets | | |
| Cash (Note 5) | 37,114,034 | 12,003,411 |
| Accounts receivable | 189,000 | 11,035 |
| Prepayments (Note 6) | 73,411 | 427,204 |
| | <u>37,376,445</u> | <u>12,441,650</u> |
| Non-current asset | | |
| Property, plant and equipment (Note 7) | 474,213 | 184,569 |
| | <u>37,850,658</u> | <u>12,626,219</u> |
| Liabilities and equity | | |
| Current liabilities | | |
| Accounts payable and accruals (Note 8) | 7,465,141 | 5,079,143 |
| Provision (Note 11) | 2,996,468 | 1,181,046 |
| Deferred income - license fees (Note 9) | 671,880 | 814,291 |
| Lease payable (Note 10) | 154,378 | 70,290 |
| | <u>11,287,867</u> | <u>7,144,770</u> |
| Non-current liabilities | | |
| Lease payable (Note 10) | 210,184 | - |
| Deferred income - government grants (Note 9) | 186,001 | 200,702 |
| | <u>396,185</u> | <u>200,702</u> |
| | <u>11,684,052</u> | <u>7,345,472</u> |
| Equity | | |
| Accumulated surplus | 26,166,606 | 5,280,747 |
| | <u>26,166,606</u> | <u>5,280,747</u> |
| | <u>37,850,658</u> | <u>12,626,219</u> |

Approved by the Board of Directors on July 4, 2022

 Director

 Director

The accompanying notes form an integral part of these financial statements.

Citizenship by Investment Unit

Statement of Operations

For the year ended March 31, 2022

(expressed in Eastern Caribbean dollars)

| | 2022 \$ | 2021 \$ |
|-------------------------------------|---------------------|---------------------|
| Revenue (Note 12) | 54,154,643 | 33,447,600 |
| Grant income (Note 9) | 14,701 | 14,701 |
| | <u>54,169,344</u> | <u>33,462,301</u> |
| Operating expenses (Note 13) | (2,791,871) | (2,473,459) |
| Programme costs (Note 14) | (23,629,192) | (15,516,685) |
| Interest expense (Note 15) | (13,891) | (17,094) |
| | <u>(26,434,954)</u> | <u>(18,007,238)</u> |
| Surplus for the year | <u>27,734,390</u> | <u>15,455,063</u> |

The accompanying notes form an integral part of these financial statements.

Citizenship by Investment Unit

Statement of Net Assets

For the year ended March 31, 2022

(expressed in Eastern Caribbean dollars)

| | 2022 \$ | 2021 \$ |
|-----------------------------------|--------------------------|-------------------|
| Net assets | | |
| At beginning of year | 5,280,747 | 3,623,676 |
| Government distribution (Note 16) | (6,848,531) | (13,797,992) |
| Surplus for the year | 27,734,390 | <u>15,455,063</u> |
| Net assets at end of year | <u>26,166,606</u> | <u>5,280,747</u> |

The accompanying notes form an integral part of these financial statements.

Citizenship by Investment Unit

Statement of Cash Flows

For the year ended March 31, 2022

(expressed in Eastern Caribbean dollars)

| | 2022 \$ | 2021 \$ |
|--|-------------|--------------|
| Cash flows from operating activities | | |
| Surplus for the year | 27,734,390 | 15,455,063 |
| Adjustments for: | | |
| Depreciation (Notes 7) | 179,402 | 188,791 |
| Interest expense (Note 15) | 13,891 | 17,094 |
| Operating income/ (loss) before working capital changes | 27,927,683 | 15,660,948 |
| Decrease/(increase) in accounts receivable and prepayments | 175,828 | (119,776) |
| Increase in accounts payable and accruals | 2,385,998 | 2,226,573 |
| (Decrease)/increase in deferred income - license fees | (142,411) | 187,415 |
| Decrease in deferred income - government grants | (14,701) | (14,701) |
| Increase in provision – VAT payable | 1,815,422 | 1,181,046 |
| Decrease in deposits | – | (121,500) |
| Cash generated from operations | 32,147,819 | 19,000,005 |
| Interest paid | (13,891) | (17,094) |
| Net cash provided by operating activities | 32,133,928 | 18,982,911 |
| Cash flows used in investing activities | | |
| Purchase of property, plant and equipment (Note 7) | (22,857) | (9,684) |
| Net cash used in investing activities | (22,857) | (9,684) |
| Cash flows used in financing activities | | |
| Payment of lease payable (Note 10) | (151,917) | (148,713) |
| Distribution to government (Note 16) | (6,848,531) | (13,797,992) |
| Net cash used in financing activities | (7,000,448) | (13,946,705) |
| Net increase in cash | 25,110,623 | 5,026,522 |
| Cash - beginning of year | 12,003,411 | 6,976,889 |
| Cash - end of year (Note 5) | 37,114,034 | 12,003,411 |

The accompanying notes form an integral part of these financial statements.

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2022

(expressed in Eastern Caribbean dollars)

1 Incorporation and principal activity

The Citizenship by Investment Unit (the “Unit”) is a statutory body of the Government of Saint Lucia, which was established on August 24, 2015, under the Citizenship by Investment Unit (CIU) Act No. 14 of 2015 and subsequently amended by Statutory Instrument No.1 of 2017. The Unit commenced operations on October 1, 2015.

The Unit’s primary function is for the general administration of the Citizenship by Investment program (“CIP”) of Saint Lucia.

The Unit’s registered office and principal place of business is located on the 5th Floor, Francis Compton Building, Waterfront, Castries, Saint Lucia.

2 Summary of significant accounting policies

Overall policy

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been constantly applied to all years presented unless otherwise stated.

Basis of preparation

The financial statements of the **Citizenship by Investment Unit** have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Unit’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(a) New and revised standards that are effective for annual periods beginning on or after April 1, 2021

- Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (effective for annual periods beginning on or after 1 January 2021). The IASB has issued amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 that address issues arising during the reform of benchmark interest rates including the replacement of one benchmark rate with an alternative one. Given the pervasive nature of IBOR-based contracts, the amendments could affect companies in all industries. The amendments are effective from 1 January 2021. This publication provides guidance on how to apply the Phase 2 amendments to various contracts and hedge accounting relationships, including the interaction with the Phase 1 reliefs for hedge accounting. The adoption of the amendments did not have any material impact on the financial statements of the Unit.
- Amendment to IFRS 16, ‘Leases’ – Covid-19 related rent concessions (effective for annual periods beginning on or after 1 June 2020). As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16, ‘Leases’ which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted. The adoption of this amendment is not expected to have any material impact on the Unit.

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2022

(expressed in Eastern Caribbean dollars)

2 Summary of significant accounting policies ...continued

These amendments do not have a significant impact on these financial statements and therefore the disclosure have not been made.

New standards, amendments to standards and interpretations

(b) *Standards, amendments and interpretations that are issued but not effective and have not been early adopted are as follows:*

- References to the Conceptual Framework
- Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Unit's financial statements. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Unit.

Cash

Cash is carried on the statement of financial position at cost. For the purpose of the statement of cash flows, cash comprise balances with a maturity period of three months or less from the date of acquisition including cash on hand and deposits held on call with banks.

Trade receivables

These amounts arose as the applicants made partial payments towards their qualifying investments after being granted citizenship.

Property, plant and equipment

Property, plant and equipment are stated at historical cost net of accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

Subsequent costs are included in the assets carrying amount or recognised as an asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Unit and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of operations during the financial period in which they are incurred.

Depreciation is calculated on the straight-line basis to allocate the cost of each asset to their residual value over their estimated useful lives as follows:

| | |
|------------------------------------|----------------------|
| Furniture, fixtures and appliances | 10 years |
| Computer equipment | 3 years |
| Leasehold improvement | 3 years (lease term) |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposal are determined by comparing proceeds with carrying amounts. These are included in the statement of operations.

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2022

(expressed in Eastern Caribbean dollars)

2 Summary of significant accounting policies ...continued

Leased assets

(a) The Unit as a lessee

For any new contracts entered into, the Unit considers whether a contract is, or contains a lease. A lease is defined as 'a contract or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Unit assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Unit;
- the Unit has the right to obtain substantially all of the economic benefit from use of the identified asset throughout the period of use, considering the rights within the defined scope of the contract; and,
- the Unit has the right to direct the use of the identified asset throughout the period of use. The Unit assess whether it has the right to direct 'how and for what purpose' the asset is use for the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Unit recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Unit, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Unit depreciated the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. The Unit also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Unit measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available, or the Unit's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss, if the right-of-use asset is already reduced to zero.

The Unit has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in Property, plant and equipment and lease liability have been included in lease payables.

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2022

(expressed in Eastern Caribbean dollars)

2 Summary of significant accounting policies...continued

Impairment of non-financial assets

The carrying amounts of the Unit's Property, plant and equipment are reviewed at each reporting date to determine whether there are any indicators of impairment. If any indicators exist, the asset's recoverable amount is estimated.

The recoverable amount of the asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of operations.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

Accounts payable

Accounts payable are classified as current liabilities if payment is due within one year or less. Accounts payable are initially recognised at fair value and subsequently measured at amortised cost.

Related party transactions

A party is related to the Unit if:

- (i) Directly or indirectly the party:
 - a. Controls, is controlled by, or is under common control with the Unit: -
 - b. Has an interest in the Unit which gives it significant influence over the Unit: -
 - c. Has joint control over the Unit.
- (ii) The party is a member of the key management personnel of the Unit.
- (iii) The party is a close member of the family of any individual referred to in (i) or (ii).
- (iv) The party is a post-employment benefit plan for the benefit of employees of the Unit or anybody that is a related party to the Unit.

Revenue recognition

To determine whether to recognise revenue, the Unit follows a 5-step process:

1. Identifying the contract with a customer.
2. Identifying the performance obligation.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligation in the contract.
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Citizenship by Investment Unit in accordance with IFRS 15 recognises that the performance obligation is satisfied upon the issuance of a certificate of citizenship after a qualifying investment is made by an applicant. Revenue is recognised upon the receipt of the qualifying investment from the applicant after citizenship has been granted by the Board.

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2022

(expressed in Eastern Caribbean dollars)

2 Summary of significant accounting policies...continued

Donations to the National Economic Fund

When applicants apply for citizenship, one of the options available to them is that they can opt for a monetary donation into the Saint Lucia National Economic Fund. The minimum that has to be donated is USD 100,000 based on revised legislation to the CIU. Once the applicant has been granted citizenship and has been informed accordingly, the applicant will pay the amount into the Bank account of the Unit. Based on Statutory Instrument No. 1 of 2017 dated January 5, 2017, for every donation received from an applicant, 20% is retained by the Unit for marketing and promotion of the CIP and recognised as revenue, and the remaining 80% is transferred to the Government of Saint Lucia.

Processing fees

The processing fee per applicant is US\$2,000 and for each qualifying dependent US\$1,000. This is paid upon submission of the completed application to the Unit and recognised as revenue in the period it is paid.

Authorised Agents - application fees and license fees

Application fees arise when a company wishes to become an authorised agent so that they can assist applicants in submission of complete applications to the Unit. The application fee is paid upon submission of the application and is non-refundable. Once the application has been approved, a license is granted and the authorised agent pays the license fee for a year. A license is valid for one calendar year. The revenue from application fees are recognised on submission of application. The license fees are recognised after the grant of the license.

Promoters - application fees and license fees

Application fees arise when a company wishes to become a promoter. The application fee is paid upon submission of the application and is non-refundable. Once the application has been approved, a license is granted, and the promoter pays the license fee for a year. A license is valid for one calendar year. The revenue from application fees and license fees are recognised in the period in which it is earned.

Marketing agents

Marketing agents can only market CIP if they are registered and licensed to do so, thus a company wishing to do so would have to apply to become a marketing agent. A license is valid for one calendar year. Marketing agents can choose to pay a lump sum in advance for future licenses. This is recorded as Advanced deposits, and the amounts are recognised as revenue over the period in which it is earned.

Deferred government grant income

Grants related to depreciable assets are initially recorded as deferred income and are subsequently brought to income at the same rate as the assets to which they relate are depreciated. Other grants are recognised in the periods in which the expenses for which they were given are incurred.

Due diligence fees

The due diligence and background check fees per applicant are USD 7,500 and for each qualifying dependent over 16 years of age it is USD 5,000. This is paid upon submission of the completed application to the Unit and recognised as revenue in the period it is paid.

All fees are charged in accordance with the Citizen by Investment Act.

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2022

(expressed in Eastern Caribbean dollars)

2 Summary of significant accounting policies...*continued*

Expenses

Expenses are recognised on an accruals basis.

Contingencies

Contingent liabilities represent possible obligations and are disclosed in the financial statements unless the possibility of the outflow of resources embodying the economic benefit is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Subsequent events

Post year-end events that provide additional information about the Unit's position at the reporting date (adjusting events) are reflected in the Unit's financial statements. Material post year-end events which are not adjusting events are disclosed.

Provision

Provisions are recognised when: the Unit has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in the presentation of the current year.

3 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Unit based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Unit. Such changes are reflected in the assumptions when they occur.

There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2022

(expressed in Eastern Caribbean dollars)

4 Financial risk management

In accordance with the provisions of International Financial Reporting Standard No. 7, disclosures are required regarding credit risk, liquidity risk, market risk, fair value of financial instruments and capital management.

Credit risk

Credit risk arises from the possibility that counterparties may default on their obligations to the Unit. The Unit's maximum exposure to credit risk is indicated by the carrying amount of its financial assets.

The financial asset which may potentially expose the Unit to concentrations of credit risk consists primarily of cash and accounts receivable. The Unit places its deposits with a highly reputable and regulated financial institution and the receivables are due from applicants whose net worth has been reviewed and determined to be satisfactory. As such, management does not believe that significant credit risk exists at March 31, 2022.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet contractual obligations. Management reviews cash flow forecasts on a regular basis to determine whether the Unit has sufficient cash reserves to meet future working capital requirements. Based on the available cash resources, the Unit is able to meet its obligations as they become due and as such, management does not believe that significant liquidity risk exists at March 31, 2022.

Market risk

Market risk is the risk that changes in market prices, such as interest and foreign exchange rates will affect the value of the Unit's assets, the amount of its liabilities and or the Unit's income. The Unit has minimal exposure to interest rate risk as it has no significant interest-bearing financial assets or liabilities. The Unit exposure to foreign exchange risk is minimal as the majority of its foreign transactions are quoted in US dollars, which has been formally pegged to the EC dollars at EC\$2.70 = US\$1.00 since 1976.

Fair value of financial instruments

Fair values represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and are best evidenced by quoted market values, if they exist. None of the Unit's financial assets or liabilities are traded on formal markets and as such their fair values are assumed to approximate their carrying amounts.

Capital management

The Unit's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to collect funds on behalf of the Government of Saint Lucia. The Unit has no significant debt and the unit is at low risk of capital inadequacy.

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2022

(expressed in Eastern Caribbean dollars)

5 Cash

| | 2022 \$ | 2021 \$ |
|--------------|-------------------|-------------------|
| Cash on hand | 1,000 | 1,000 |
| Cash at bank | 37,113,034 | 12,002,411 |
| | <u>37,114,034</u> | <u>12,003,411</u> |

Included in cash in bank is \$1,053,774 (2021 - \$637,200) which represents contributions held in trust at the Unit due to the National Economic Fund (See Note 17) and \$1,350,000 in COVID 19 Bonds payable to Government of St. Lucia (See Note 8).

6 Prepayments

| | 2022 \$ | 2021 \$ |
|---|---------------|----------------|
| Current | | |
| Advanced registration and subscription fees | 35,584 | 48,389 |
| Prepaid rent | 15,544 | 15,544 |
| Advertising | – | 363,271 |
| Other Prepayments | 22,283 | – |
| | <u>73,411</u> | <u>427,204</u> |

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2022

(expressed in Eastern Caribbean dollars)

7 Property, plant and equipment

| | Leasehold Improvements \$ | Furniture \$ | Computer Equipment \$ | Right of Use \$ | Total \$ |
|---|---------------------------------|-----------------|-----------------------------|-----------------------|-------------|
| As at March 31, 2020 | | | | | |
| Cost | 591,155 | 187,786 | 271,613 | 376,501 | 1,427,055 |
| Accumulated depreciation | (591,155) | (77,947) | (243,677) | (150,600) | (1,063,379) |
| | – | 109,839 | 27,936 | 225,901 | 363,676 |
| For the year ended March 31, 2021 | | | | | |
| Opening net book value | – | 109,839 | 27,936 | 225,901 | 363,676 |
| Additions during the year | – | – | 9,684 | – | 9,684 |
| Depreciation charge for the year (Note 13) | – | (18,918) | (19,273) | (150,600) | (188,791) |
| Closing net book value | – | 90,921 | 18,347 | 75,301 | 184,569 |
| As at March 31, 2021 | | | | | |
| Cost | 591,155 | 187,786 | 277,483 | 376,501 | 1,432,925 |
| Accumulated depreciation | (591,155) | (96,865) | (259,136) | (301,200) | (1,248,356) |
| | – | 90,921 | 18,347 | 75,301 | 184,569 |
| For the year ended March 31, 2022 | | | | | |
| Opening net book value | – | 90,921 | 18,347 | 75,301 | 184,569 |
| Additions during the year | – | 1,685 | 21,172 | 446,189 | 469,046 |
| Depreciation charge for the year (Note 13) | – | (18,918) | (10,819) | (149,665) | (179,402) |
| Closing net book value | – | 73,688 | 28,700 | 371,825 | 474,213 |
| As at March 31, 2022 | | | | | |
| Cost | 591,155 | 189,471 | 298,655 | 446,189 | 1,525,470 |
| Accumulated depreciation | (591,155) | (115,783) | (269,955) | (74,364) | (1,051,257) |
| | – | 73,688 | 28,700 | 371,825 | 474,213 |

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2022

(expressed in Eastern Caribbean dollars)

8 Accounts payable and accruals

| | 2022 | 2021 |
|--|------------------|------------------|
| | \$ | \$ |
| Covid 19-bond payable | 1,350,000 | – |
| Contributions in trust at Unit due to National Economic Fund | 1,053,774 | 637,200 |
| Accounts payable | 843,070 | 940,731 |
| ALA License Fees – Advance Payments | 68,850 | 27,000 |
| Other | 59,876 | 16,591 |
| Qualifying Investment - Advance Payments | 45,900 | 364,500 |
| Staff gratuity | 30,924 | 92,694 |
| | <u>3,452,394</u> | <u>2,078,716</u> |
| Accrued expenses | | |
| Due diligence services | 2,486,700 | 1,356,750 |
| Authorized agents and promoters' commissions | 1,127,250 | 1,471,500 |
| Marketing agent commissions | 220,050 | 27,000 |
| Staff vacation | 82,076 | 97,277 |
| Client screening fee | 48,600 | – |
| Audit fees | 33,974 | 32,381 |
| Utilities | 12,947 | 11,919 |
| Other | 1,150 | 3,600 |
| | <u>4,012,747</u> | <u>3,000,427</u> |
| | <u>7,465,141</u> | <u>5,079,143</u> |

9 Deferred income

| | 2022 | 2021 |
|--|----------------|----------------|
| | \$ | \$ |
| Current | | |
| Deferred income - license fees | | |
| At beginning of year | 814,291 | 626,876 |
| Funds received during the year | 1,086,898 | 1,324,596 |
| Funds received during the year recognised as revenue | (415,018) | (510,305) |
| Funds from prior balance recognised as revenue | (814,291) | (626,876) |
| At end of year | <u>671,880</u> | <u>814,291</u> |
| Non-current | | |
| Deferred income - government grants | | |
| At beginning of year | 200,702 | 215,403 |
| Amounts recognised as grant income | (14,701) | (14,701) |
| At end of year | <u>186,001</u> | <u>200,702</u> |

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2022

(expressed in Eastern Caribbean dollars)

10 Leases

Lease payables are presented in the balance sheet as follows:

| | 2022 \$ | 2021 \$ |
|-----------------------|----------------|---------------|
| Lease payables | | |
| Current | 154,378 | 70,290 |
| Non-current | 210,184 | – |
| | <u>364,562</u> | <u>70,290</u> |

The Unit has a lease for office properties which is reflected on the statement of financial position as a right-of-use asset under property, plant and equipment and lease payables under current and non-current liabilities. The Unit classified its right-of-use assets in a consistent manner to its Property, plant and equipment (see Note 7).

For the lease mentioned above, there is a restriction that, unless there is written consent for the contractual right for the Unit to sublet the asset to another party, the right-of-use asset can only be used by the Unit. The lease is cancellable only if there is a breach of the covenants and with three months written advance notice. The unit must keep the premises in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Unit must insure items of Property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Unit's leasing activities by type of right-of-use asset recognised on statement of financial position.

| Right-of-use assets | No. of right-of-use assets leased | Range of remaining term | Average remaining lease term | No. of lease with extension options | No. of lease with options to re-purchase | No. of leases with variation payments linked to an index | No. of leases with termination options |
|---------------------|-----------------------------------|-------------------------|------------------------------|-------------------------------------|--|--|--|
| Office premises | 1 | >2 | >2 | | | | |

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2022

(expressed in Eastern Caribbean dollars)

10 Leases...continued

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

| | Within 1 year \$ | Within 2-3 years \$ | Total \$ |
|--------------------------|------------------------|---------------------------|----------------|
| At March 31, 2022 | | | |
| Lease payments | 165,807 | 248,711 | 414,518 |
| Finance charges | (11,429) | (38,527) | (49,956) |
| | <u>154,378</u> | <u>210,184</u> | <u>364,562</u> |

Additional information on the right-of-use asset is as follows:

| | Office Premise \$ |
|----------------------------------|-------------------------|
| At March 31, 2021 | |
| Carrying value | 376,501 |
| Accumulated depreciation | <u>(301,200)</u> |
| Net book value | <u>75,301</u> |
| Year ended March 31, 2022 | |
| Opening net book value | 75,301 |
| Additions | 446,189 |
| Disposals | — |
| Depreciation | <u>(149,665)</u> |
| | <u>371,825</u> |
| At March 31, 2020 | |
| Carrying value | 446,189 |
| Accumulated depreciation | <u>(74,364)</u> |
| | <u>371,825</u> |

The right-of-use assets are included as a separate line under Property, plant and equipment.

11 Provision

| | 2022 \$ | 2021 \$ |
|-------------|------------------|------------------|
| VAT payable | <u>2,996,468</u> | <u>1,181,046</u> |

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2022

(expressed in Eastern Caribbean dollars)

12 Revenue

| | 2022 | 2021 |
|--|-------------------|-------------------|
| | \$ | \$ |
| Due diligence fees | 17,097,750 | 11,630,250 |
| Administrative fees – approved real estate project | 14,890,500 | 7,087,500 |
| Allotment from National Economic Fund donations | 13,113,630 | 9,640,890 |
| Administrative fees – Covid-19 bonds | 5,184,400 | 2,025,000 |
| Processing fees | 1,828,440 | 1,709,910 |
| Promoter – license fee | 569,356 | 568,114 |
| Alien land holding processing fee | 542,700 | 132,300 |
| Authorising agents – license fees | 491,073 | 427,316 |
| Other income | 437,194 | 226,320 |
| | <u>54,154,643</u> | <u>33,447,600</u> |

13 Operating expense

| | 2022 | 2021 |
|--------------------------------|------------------|------------------|
| | \$ | \$ |
| Payroll and employee benefits | 1,874,507 | 1,671,703 |
| Depreciation expense | 179,402 | 188,791 |
| Directors' stipends | 123,548 | 142,000 |
| Telecommunications | 90,925 | 92,369 |
| Staff training and development | 69,272 | 4,316 |
| IT costs | 68,769 | 74,069 |
| Utilities | 66,810 | 62,958 |
| Consultancy | 53,568 | 1,251 |
| Professional fees | 34,712 | 31,000 |
| Travel allowance | 9,225 | 12,620 |
| Legal fees | – | 82,100 |
| Office supplies and services | 221,133 | 110,282 |
| | <u>2,791,871</u> | <u>2,473,459</u> |

Payroll and employee benefits include amounts for gratuity and termination costs.

14 Programme costs

| | 2022 | 2021 |
|--|-------------------|-------------------|
| | \$ | \$ |
| Authorized Agent and Promoters commission | 10,959,689 | 7,010,455 |
| Due diligence expenses | 10,787,136 | 7,397,639 |
| Marketing and investor relations | 1,026,324 | 355,966 |
| Marketing Agents commission and settlement payment | 690,863 | 752,625 |
| Business travel (Promotion and Conference) | 165,180 | – |
| | <u>23,629,192</u> | <u>15,516,685</u> |

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2022

(expressed in Eastern Caribbean dollars)

15 Interest expense

| | 2022 \$ | 2021 \$ |
|---------------------------|---------------|---------------|
| Interest on lease payable | 13,891 | 17,094 |
| | <u>13,891</u> | <u>17,094</u> |

16 Government Distribution

| | 2022 \$ | 2021 \$ |
|---|------------------|-------------------|
| Government Distribution – Consolidated Fund | <u>6,848,531</u> | <u>13,797,992</u> |

By way of memo dated November 23, 2020 from the Office of the Prime Minister the Unit is instructed to remit excess cash to the Consolidated Fund or otherwise by the Minister with responsibility for the Citizenship by Investment Programme.

17 Related party transactions

Transactions with related parties as defined in Note 2 comprised of key management compensations and amounts collected on behalf of and remitted to the Government of Saint Lucia for donations to the National Economic Fund.

Key management compensations

| | 2022 \$ | 2021 \$ |
|-----------------------------|------------------|------------------|
| Salaries and other benefits | 1,092,412 | 1,011,427 |
| Directors' stipend | 123,548 | 142,000 |
| | <u>1,215,960</u> | <u>1,153,427</u> |

National Economic Fund

During the year US\$24,284,500 or EC\$65,568,150 (2021 - US\$17,853,500 or EC\$48,204,450) was received by the Unit as monetary investments to the National Economic Fund. In accordance with Statutory Instrument No.1 of 2017 dated January 5, 2017, 20% is allocated to the Unit to cover marketing and promotions costs incurred. This resulted in a net of EC\$51,805,915 being paid to the National Economic Fund Board during the year ended March 31, 2022, inclusive of prior year balance of EC\$637,200. EC\$1,053,774 was outstanding to the National Economic Fund as at March 31, 2022.

17 Related party transactions... *continued*

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2022

(expressed in Eastern Caribbean dollars)

The table below provides the collections and remittances details by quarter:

Donations under the Citizenship By Investment Programme Category National Economic Fund paid to the National Economic Fund Account.

| | April – June 2021 \$ | July – September 2021 \$ | October - December 2021 \$ | January - March 2022 \$ | Total \$ |
|---|-------------------------------|-----------------------------------|-------------------------------------|----------------------------------|-------------------|
| NEF donations collected | 18,728,550 | 11,462,850 | 17,131,770 | 18,244,980 | 65,568,150 |
| Marketing and promotion fees applicable to the Unit | (3,745,710) | (2,292,570) | (3,426,354) | (3,648,996) | (13,113,630) |
| Contributions in trust at Unit due to Government from Prior Year March 31, 2021, now remitted | 637,200 | – | – | – | 637,200 |
| Contributions in trust at Unit due to Government as at March 31, 2022 | (647,953) | (9,130,203) | (13,645,518) | 22,369,900 | (1,053,774) |
| Foreign exchange loss | (65,480) | (40,077) | (59,898) | (66,576) | (232,031) |
| Net donations remitted to the National Economic Fund Account | 14,906,607 | – | – | 36,899,308 | 51,805,915 |

| | April – June 2020 \$ | July – September 2020 \$ | October - December 2020 \$ | January - March 2021 \$ | Total \$ |
|---|-------------------------------|-----------------------------------|-------------------------------------|----------------------------------|-------------------|
| NEF donations collected | – | 6,790,995 | 18,933,255 | 16,135,200 | 41,859,450 |
| Marketing and promotion fees applicable to the Unit | – | (2,422,980) | (2,721,870) | (3,227,040) | (8,371,890) |
| Contributions in trust at Unit due to Government as at March 31, 2021 | – | – | – | (637,200) | (637,200) |
| Foreign exchange loss | – | (19,090) | (70,850) | (53,629) | (143,569) |
| Net donations remitted to the National Economic Fund Account | – | 4,348,925 | 16,140,535 | 12,217,331 | 32,706,791 |

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2022

(expressed in Eastern Caribbean dollars)

17 Related party transactions... continued

Donations under the Citizenship By Investment Programme Category National Economic Fund paid to the Government of Saint Lucia Consolidated Fund.

| | April – June 2020 \$ | July – September 2020 \$ | October - December - 2020 \$ | January - March 2021 \$ | Total \$ |
|---|-------------------------------|-----------------------------------|---------------------------------------|----------------------------------|------------------|
| NEF donations collected | 6,345,000 | – | – | – | 6,345,000 |
| Contributions in trust at Unit due to Government from Prior Year March 31, 2021, now remitted | 698,932 | – | – | – | 698,932 |
| Marketing and promotion fees applicable to the Unit | (1,269,000) | – | – | – | (1,269,000) |
| Foreign exchange loss | (22,184) | – | – | – | (22,184) |
| Net donations remitted to the Government of St. Lucia Consolidated Fund | 5,752,748 | – | – | – | 5,752,748 |

Special COVID 19 Bond Investments:

| | April – June 2021 \$ | July – September 2021 \$ | October - December 2021 \$ | January - March 2022 \$ | Total \$ |
|--|-------------------------------|-----------------------------------|-------------------------------------|----------------------------------|-------------|
| Bonds Purchased as at March 31, 2022 | 16,240,500 | 9,450,000 | 10,395,000 | 10,125,000 | 46,210,500 |
| Quantity purchased | 22 | 13 | 15 | 14 | 64 |
| Bonds in trust at the CIU due to government as at March 31, 2022 | – | – | – | (1,350,000) | (1,350,000) |
| Quantity held in trust | – | – | – | 2 | 2 |
| Bonds purchased remitted to government as at March 31, 2022 | 16,240,500 | 9,450,000 | 10,395,00 | 8,775,00 | 44,860,500 |
| Quantity remitted | 22 | 13 | 15 | 12 | 62 |

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2022

(expressed in Eastern Caribbean dollars)

17 Related party transactions... *continued*

Special COVID 19 Bond Investments:

| | April – June 2020 \$ | July – September 2020 \$ | October - December 2020 \$ | January - March 2021 \$ | Total \$ |
|---|-------------------------------|-----------------------------------|-------------------------------------|----------------------------------|-------------------|
| Bonds Purchased as at March 31, 2021 | – | – | 6,989,320 | 10,873,769 | 17,863,089 |
| Quantity Purchased | – | – | 10 | 15 | 25 |

18 Impact of COVID-19

On March 11, 2020, the World Health Organisation declared COVID-19 to be a pandemic. The pandemic has resulted in a significant downturn in commercial activity around the world. There is currently no cure, and the means most recommended to manage contagion is social distancing. This has resulted in several countries embarking on varying degrees of lock-down, closure of borders and travel bans. Global travel restrictions have been implemented, all of which will have negative global economic consequences.

The enduring impact of the pandemic is the erosion of economic power of segments within the investment migration industry. The presence of the vaccines and increasing education on living in a world with the coronavirus has reopened global borders and a return to travel; rivaled by year 2019 (pre-pandemic).

Coming off the Unit's best performance to date, it is clear there remains very strong interest in alternative citizenship. A return to global travel has ushered a return to in-person stakeholder meetings and the ability impact the markets in a more tangible way.

The Unit will work closely with strategic partners to differentiate Saint Lucia's product as going "beyond the passport" whilst positioning itself to generate increasing demand from new and emerging markets."

Subsequent events

The Unit has not identified any adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended March 31, 2022, have not been adjusted to reflect any subsequent events.

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