

## Ahmet Sener of Smart Citizenship

**Speaker1:** [00:00:04] This is the Investor Connect podcast program. I'm Hall Martin. I'm the host of the show in which we interview angel investors, venture capital, family offices, private equity and many other investors for early stage and growth companies. I hope you enjoy this episode. The. Investor Connect is a 501 C three non-profit dedicated to the education of investors and startups for fundraising. Please consider donating \$100 to the program to help others in their investor and entrepreneur journey. You can find the Donate button on the Investor Connect org website.

**Speaker2:** [00:00:38] Hello, this is Hall Martin with Investor Connect. Today we're here with our Ahmet Sener managing partner at Smart Citizenship. Smart Citizenship is a citizenship by investment consultancy company aiming to bring unprecedented transparency to overseas investments made for the purpose of attaining secondary passports or alternative residences. Thank you for joining us.

**Speaker3:** [00:00:59] Thanks for having me.

**Speaker2:** [00:01:01] Great. So can you tell us more about your background before joining smart citizenship?

**Speaker3:** [00:01:07] Of course, by dumb luck. I have. I happen to have the perfect background for a citizenship by investment company because I was a real estate developer and real estate investments are like the bread and butter of citizenship by investment or investment migration programs. I then moved into digital marketing and did public diplomacy. It's a kind of marketing where you actually promote countries as opposed to products or investments. So, I mean, in our industry, you basically promote countries and their programs. And then I was in real estate brokerage. But of course, the big experience I had was acting as the CMO for Mediterranean Golden Visa Investment Fund advisory firm. So basically, this combination was before smart citizenship.

**Speaker2:** [00:02:01] Right, and so what led you to start working in this space?

**Speaker3:** [00:02:05] It's actually a funny story. It didn't happen by a by intense planning or I'm not. I didn't start by saying I'm going to be in this business. It all started with a LinkedIn message from a very nice Greek gentleman telling me that anyone investing 250k euros in Greek real estate could be residential, could be commercial, are granted a pass called Golden Visa, which would allow them to travel freely and live in the country of origin of this document in the Schengen zone in Europe. So for someone like me with a very with a passport that faces tough visa regimes, I'm from Turkey. I thought the guy was making fun of me. I mean, I assumed something so important like Schengen access wouldn't be able to. I wouldn't be able to purchase with just two hundred and K worth of real estate. And I mean, Greece is a very nice place to have real estate. So I jumped on a plane. I met this gentleman. And I mean, here we are. That's how I started.

**Speaker2:** [00:03:27] Great. Well, that's a great story. So you see a lot of people coming into this space. What's your advice for people investing? What do you tell them to do before they write their check

**Speaker3:** [00:03:39] For individual investors? I mean, they're making the most important investment in their lives. It's an investment to secure their future. I mean, insulate themselves from tax risks because we see countries becoming very tough involving taxes. I think us is a very specific case as well. So while doing this very important investments, it's very important to cut through the chatter because they are investing in a cross-border environment. It's very easy to be led away from the truth by people they are doing business with because unfortunately, some companies are in the fee game. They just want to forward clients to the highest bidder in terms of commissions. This is just before that final moment of truth, as you said, writing the checks. I would just double check everything like bringing alternative advisors. Have a second opinion. Imagine you imagine having a very tough operation. I mean, a medical operation. I'm sure everyone gets a second opinion. It's the same story with investing abroad.

**Speaker2:** [00:04:57] Great, well, let's talk about the state of investing in this sector. How do you see the industry evolving from here?

**Speaker3:** [00:05:03] It's going to boom, there is no two ways about it, because the main driving factors of investment migration is in stable geographical instability. We have plenty of that

country's facing off. I mean, I don't want to name names, but Russia being a very strong player in their region, China being very having strong ended politics. So this breeds regional instability. And I mean, top that off with climate crisis people having less access to food, everything. All of this translates to crime increase in the Third World as lack of a better expression. And I mean, with the US and UK investors chipping in to the alternative investment programs because they are not, I mean, high net worth, individuals are not feeling safe of this talk of high taxes. I mean, there is no way the industry can go it. It has to grow to accommodate all this new investment, rolling it.

**Speaker2:** [00:06:15] So what's the growth rate of this sector and how many companies are engaged in it?

**Speaker3:** [00:06:21] Advisory firms such as us like claiming their dedicated investment migration firms. I think there are about five hundred of us. But keep in mind your any run of the mill legal office can do advisory because imagine this golden visa is based on the law, the Portuguese residency by investment program. All of these are based in laws. So there are legal players that are private bankers because their clients are asking them for advice and they are giving it freely. So if you add everyone, but still it's not a huge number. I think it's everyone included. I think we would be still less than a thousand people operating in here. But in terms of growth rate, I can give you a very interesting example since you are dealing with venture capital investments. So the Portuguese Golden Visa programme has a venture capital investment route. So this is very interesting because usually it's individuals who have no background in investment funds, especially venture capital funds. Investing here in thousand twenty, there were ten players ten funds looking to tap into the Golden Visa Market to raise capital in two thousand twenty one. This became twenty five thirty and in twenty twenty two we expect at least 50 solid investment funds. Venture capital investment funds in Portugal raising capital via the programme. I mean, this is huge. I think this speaks volumes for the growth rates of the sector. And I mean, my native turkey, our programme, everybody assumed it wouldn't be very popular. But I mean, this year it seems the programme is on its way to raise two billion USD worth of investments from people looking to get the Turkish citizenship by investing two hundred and fifty k USD in real estate. I mean, it caught everyone, myself included. I hate to admit this by surprise because because I have the Turkish passports, I assumed it wouldn't be popular. But it

seems the lifestyle was very attractive to people and I can give you many more examples. But I think these to cover the growth rate of the sector.

**Speaker2:** [00:08:48] Great. So so what are the challenges in this space for doing this? What do you see as the main issue?

**Speaker3:** [00:08:56] I hate that I'm always talking about the same thing, but it's the fear game. Most companies so there are two sides to the coin. So for example, if you are an investment fund and if you're looking to thrive on the fees, you charge the clients the yearly fees. Most people are in this business, and it's I think it's it's hurting the credibility of the sector. And what's even the other side of the coin is even worse. I mean, companies just hold their clients by their hand and move them to the product owners. The real estate companies, companies giving the highest commission. I mean, there is no way the industry can thrive if this is the mentality, if people are just running up their commissions at some point in the way. I mean, people would be very wary of investing for their citizenship of residences. And the real threat here is people just can block money on their bank accounts in most jurisdictions instead of investing. I mean, admittedly, the amount is higher, but people will start start avoiding the investment side if they are not sold correct investments.

**Speaker2:** [00:10:15] All right, so how does smart citizenship fit into this landscape? Where exactly do they play and what do they do?

**Speaker3:** [00:10:21] I mean, this is why we started the company we're trying to eliminate. I mean, it's it's a very tall order to say we will eliminate second hand knowledge and the chapters in the industry and bring about complete transparency. But we started to give bigger transparency to the industry to for the investors. Imagine this If you were a hundred million USD investment fund looking to invest in Portugal, you would hire the top advisors. That is right and you would tap into big data companies in your industry. You would gather intel and this. In this way, it's very likely that you would succeed. It's smart citizenship. We're trying to to to some extent, emulate the process of these corporate investors and making it readily available to the individual. And how do we do this? We get it. We prepared eight buckets of data, and under these eight buckets we're putting 20 at least 20 data points to give investments a grade for lack of a better word. We're creating these investments by using just cold hard data. So, for example,

a real estate company, we check if they have if they're exposed politically and how do we do this? You just look if they want any government contracts in the past 20 years, if they did, they're politically exposed and we deduct points for that.

And why, you might say if the project is under development and if these guys come under fire for any of their dealings, it's bad news for the for the investor because most investors to get an upside on their real estate investment, they invest off plan for things for products that are under construction. So smart citizenship, what we're trying to do is that. We're we're looking to eliminate the emotional side and just give people cold, hard data if it's an investment fund. We look at their fundraising power because if there's more money, the funds become more powerful. Now they hire better people, they are able to get better deals from investments from companies they're investing in. So we have these eight data points, and I think it's giving the investor a head start. Even as we speak right now, it works manually, by the way. We get the data, we punch it in and we update it every month, but we're looking to turn this into a much more streamlined system to really get that scale.

**Speaker2:** [00:13:24] Right. Well, in the last few minutes that we have here, what else should we cover that we haven't?

**Speaker3:** [00:13:29] Look, citizenship by investment programs, they get a lot of negative publicity. I mean, even huge news outlets like Guardian, they can't stop themselves criticizing the programs. Everyone is talking about corrupt billionaires buying passports and securing themselves a way out. This couldn't be further from the truth. I mean, no billionaire needs a second passport or a residency there. Fine where they are. If they're buying it, it's just for convenience sake. But I wish we as the as the industry, we expose ourselves to other industries, and I wish people speak up more, saying this is becoming a very middle class type of investment. I mean, your U.S. investor, I have yet to meet someone with a net worth of net worth of 10 million. Plus they're mostly upper middle class, just securing an investment. They usually want their kids to have European citizenship. I mean, it's free health care. It's free education and this is what they're after. And I in my six years in the industry, I have yet to meet a billionaire. And I think like this is this misconception. If we speak up more about this, more people will do it because it will become mainstream. And this is great for everyone. You're making people more global. You're giving countries retail FDI. This is what I call it because it's foreign direct investment coming from individuals. It's a very interesting concept. Our sector is

our industry is very misunderstood. And personally, I will fight it in the coming years as smart citizenship grows. We hope to become a thought leader so that we can speak up about this misconception.

**Speaker2:** [00:15:35] Great. Well, how best for listeners to get back in touch with you.

**Speaker3:** [00:15:39] It's very simple. My email address, I take it one million times a day. It's Ahmed, which is a h m e t at smart citizenship dot com. It's I mean, I think you'd be scared on how fast of a response you will get from me.

**Speaker2:** [00:15:58] Right. Well, I appreciate your sharing that with us today. We'll include those in the show notes, and we'll have you back for a follow up soon.

**Speaker3:** [00:16:05] Thank you so much for the opportunity.

**Speaker1:** [00:16:10] Investor Connect helps investors interested in startup funding. In this podcast series, experienced investors share their experience and advice. You can learn more at Investor Connect. Paul T. Martin is the director of Investor Connect, which is a 501c3 nonprofit dedicated to the education of investors for early stage funding. All opinions expressed by hall and podcast guests are solely their own opinions and do not reflect the opinion of Investor Connect. This podcast is for informational purposes only and should not be relied upon as a basis for investment decisions.