



# The Individual Investor Programme of the Republic of Malta

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## *Information Leaflet*

The Individual Investor Programme of the Republic of Malta (IIP) targets high net worth, fit-and-proper individuals who wish to acquire Maltese Citizenship for themselves and their family by contributing to the economic and social developments of Malta.

The IIP provides for clear and objective rules for eligibility.

It is managed by a purposely set up government entity called Identity Malta. Applications for Citizenship are to be submitted and processed exclusively by Identity Malta. Applicants must be represented by a limited number of duly authorised Accredited Persons. Dr Kevin Deguara of DF Advocates is one such licence holder.

## ***Why Malta?***

Malta has been a Member of the European Union since 2004, part of Schengen since 2007 and part of the Euro Zone since 2008. Malta offers a stable political climate as well as a safe living environment with a very low crime rate. Moreover, Malta has become an ever-growing international business hub, with its competitive tax system, strategic location and flight connections. Malta registered the highest economic growth in the European Union in 2014 according to Eurostat statistics. According to the European Commission's Spring 2015 economic forecast, Malta's economic growth is projected to remain robust. It was also forecast that job creation and the unemployment rate are projected to outperform euro-area peers.

## ***Benefits of the IIP***

For a reasonably modest capital outlay, the IIP grants the applicant and his family a notable return, *inter alia*:

- a Passport within one year and in the interim Schengen residence status;
- The right to freely live and work in Malta or in any other European Member State;
- Visa-free travel to 163 countries amongst which are the European Member States, the USA, Switzerland and South Africa.



### ***Who may apply?***

To qualify for citizenship, the Main Applicant must be over 18 years of age, must satisfy a 'fit and proper' test and the conditions outlined below.

The Main Applicant may add to his/her citizenship application his/her spouse, dependants under the age of 27 years (under certain conditions) and over the age of 55 years.

### ***Requirements***

The requirements to benefit under this IIP are the following:

- A. A monetary contribution of €650,000 for the Main Applicant, an additional €25,000 for the spouse and for each and every child aged under 18 years, €50,000 for every unmarried financially dependant child aged between 18 and 26 and for every dependant adult aged over 55;
- B. the rental or acquisition of immovable property in Malta at an annual rate of €16,000 or a value of €350,000 respectively;
- C. proof of residence in Malta for a year;
- D. liquid investments at a minimum of €150,000 in qualifying classes of bonds and/or stocks;
- E. evidence of a global health insurance policy for applicant and dependants and a declaration that they are in a position to retain such policy indefinitely.

### ***Application Process, time frames and payments***

#### **1. Apply for Residence**

We advise applicants to apply for residence as soon as possible to set the clock ticking on the 1 year residency requirement. The Applicant and dependants wishing to obtain residence must personally travel to Malta. An e-residence card may be obtained within a day or two. At this stage a non-refundable payment of €5,000 is due. This payment is a deposit on account of the €650,000 one time monetary contribution. A fee of €1,000 for each dependant who elects to acquire residence in Malta is also due.

#### **2. Formal Application for Citizenship**

The Accredited Person is to formally submit all prescribed forms and all supporting documentation to Identity Malta. At this stage a non-refundable payment of €5,000 is due. This payment is also a



deposit on account of the €650,000 one time monetary contribution. Further, the applicant is also required to pay Identity Malta a due diligence fee €7,500 for himself/herself, €5,000 for his/her spouse, adult children and for dependants aged over 55 and €3,000 for children between 13 and 18 years of age. Furthermore, the applicant is also required to pay €500 per applicant for the issuance of the passport.

### **3. Letter of Approval**

Identity Malta will, within a period of 120 days confirm, whether the application has been approved in principle or declined. In case of approval, the applicant will receive a letter of approval in principle.

### **4. Applicant fulfills investment & other requirements**

At this stage the Applicant is now expected to, within 25 days, remit the total of the required contribution (less the non-refundable payments equivalent to €10,000 as explained in point 1 and 2 above), and within 4 months provide evidence of rental or purchase of immovable property and an investment of at least €150,000 in bonds or shares approved by the Maltese Government;

### **5. Passport issued**

The Passports for the Main Applicant and his family are issued within 1 year of taking up residence in Malta as explained in point 1 above after taking the Oath of Allegiance.



## *Frequently Asked Questions*

### **1. Who may apply for naturalisation as a Maltese Citizen under the Malta Individual Investor Programme (IIP)?**

Any person who is over 18 years of age and of good character may apply for naturalisation as a Maltese Citizen under the IIP provided, that he satisfies all the requirements for the said Programme.

### **2. Who may not apply?**

Currently restricted from applying are those individuals that are nationals of the following countries, or are non-nationals but reside, do business, have significant ties in, or connections with:

1. Chad
2. Iran
3. Libya
4. North Korea
5. Somalia
6. Syria
7. Venezuela
8. Yemen
9. Afghanistan

### **3. Can applicants include family members in their application?**

Principle Applicants can include the following family members in their IIP application:

- i. Spouse – in a monogamous marriage or in another relationship having the same or similar status to marriage.
- ii. Children of 18 years of age and under.
- iii. Children of between the age of 18 and 26 years of age, who are not married and who are wholly supported by the Main Applicant and form part of the household.
- iv. Parents and grandparents over the age of 55 years, who are wholly supported by the applicant and form part of the household of the Main Applicant.



#### 4. What are the general requirements for the IIP?

- i. The Lease of a residential immovable property in Malta for a period of 5 years at an annual rate of at least €16,000 (in this case property must not be sub-let to third parties);

OR

The acquisition of immovable property with a minimum value of €350,000 to be held for at least 5 years (in this case property must not be leased out to third parties);

- ii. A monetary contribution for the Main Applicant and his dependants;
- iii. An investment in stocks, bonds or special purpose vehicles to be identified by Identity Malta, for a minimum value of €150,000 to be held for a minimum period of 5 years. This investment must be pledged to Identity Malta.
- iv. Global Health Insurance coverage for at least €50,000/person for the Main Applicant and all his dependants.
- v. Residence in Malta for 1 year.

#### 5. What are the contributions required under the IIP?

##### Contributions (to the National Development and Social Fund)

Principal applicant	€ 650,000
Spouse	€ 25,000
Dependant child aged 0-17	€ 25,000
Dependant child aged 18-26	€ 50,000
Dependant adult aged 55 or above	€ 50,000

##### Due Diligence Fees

Principal applicant	€ 7,500
Spouse	€ 5,000
Dependant child aged 13-17	€ 3,000
Dependant child aged 18-26	€ 5,000
Dependant adult aged 55 or above	€ 5,000



#### Passport Fees

Per person € 500

Bank charges € 200

**6. Does the 1 year residency requirement begin to run from the date of submission of the application for citizenship or from when one acquires residence?**

The 1 year residence requirement starts to run from when one takes up residence in Malta. In practice, one may first obtain his e-residence card and at a later stage, when all documents have been collected, apply for citizenship.

**7. Does the requirement to reside in Malta apply to both the Main Applicant and his dependants?**

No, this requirement only applies to the Main Applicant. His dependants need not reside in Malta for any time in their lives.

**8. Should the dependants wish, they may apply for an e-residence card along with the Main Applicant?**

Yes, the dependants may also apply for an e-residence card which will permit them to travel within Schengen without the need to obtain a Visa during the Residence stage.

**9. What are the requirements to prove residence and is it required to physically stay in Malta for a particular number of days?**

The law doesn't specify any particular requirements with regard to proof of residence. Neither does it specify a number of days within which one needs to be physically present in Malta. It requires, however that the Main Applicant forges links to the island. In practice Main Applicant must have held an e-residence card for 1 year, having rented or purchased property in Malta. Other evidence could be in the form of membership to local clubs or professional bodies, local mobile phone numbers and involvement in philanthropic work.

**10. What benefits does Maltese residence give the Main Applicant and his dependants?**

Maltese residence would grant them the right to live in Malta and to travel to any Schengen country without the need to obtain a visa.

**11. Is there a fee to obtain e-residence?**



Yes. The fee for the Main Applicant is €5,000. This payment is a deposit on account of the €650,000 one time monetary contribution. The fee for dependants is €1,000. The fee paid for dependants is over and above the IIP contributions.

**12. Does the applicant have to travel to Malta to obtain the e-residence card and how long does it take to obtain the said e-residence card?**

Yes the applicant and any of his dependants who wish to acquire residence in Malta must travel to Malta to acquire such e-residence card. It normally takes between a day or two to obtain such e-residence card.

**13. Are the prescribed forms submitted in English and may supporting documents be presented in any other language?**

The application is to be submitted in the prescribed form completed in English. Original documents may be presented in any language however they need to be accompanied by an authenticated and apostilled translation. Translations carried out in Malta by professional translation firms do not need to be apostilled.

**14. What are the main grounds for refusal?**

Identity Malta will review applications on a case by case basis however the main grounds for refusal would be if the applicant provides false information, has a criminal record or is subject to criminal investigations, poses a potential threat to national security, poses a reputational risk for Malta or has been refused a visa to a country which Malta has a visa-free arrangement.

**15. Does a person who acquired Maltese nationality by naturalisation under the IIP enjoy the same rights as any other Maltese national?**

Yes a beneficiary under the IIP acquires full legal status as a Maltese National. The Maltese Citizenship Act has been recently amended to provide for registration of beneficiaries under the IIP as naturalised citizens of Malta.

**16. Does Maltese law allow dual citizenship?**

Yes dual citizenship is allowed under the Maltese Citizenship Act.

**17. May Maltese Citizenship by Investment be revoked?**

Only in extreme cases. Under the IIP, citizenship may be revoked only if the person granted citizenship fails to comply with any requirement to rent, purchase and retain property in Malta or



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to make investments in Malta as established by the regulations or has become a threat to national security or is involved in conduct which is seriously prejudicial to the vital interests of Malta.



### **18. What is the European Commission's view on Malta's IIP?**

Malta's IIP is actually the first citizenship programme to be recognised by the European Commission. On the 29 January 2014 the representatives of the European Commission's services and the Government of Malta met to discuss the Malta's IIP. The Maltese representatives clarified its intentions and explained that the Programme will confer full rights, responsibilities and full citizenship status. The Commission's service "welcomed the announced amendments done in good faith and in a spirit of sincere cooperation". On the same day the parties released a joint press statement whereby both parties expressed satisfaction about the understanding reached.

### **19. Is there a capping on the number of successful Main Applicants?**

Yes the IIP is capped to 1,800 successful Main Applicants. This capping does not include dependants.