

Tax Alert

Malta Citizenship-by-Investment - Individual Investor Programme Regulations



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Introduction

Malta has introduced an "Individual Investor Programme" (the "Citizenship Programme"), with which Malta grants naturalisation (i.e. citizenship) by investment to reputable foreign individuals and their eligible dependents following a thorough and rigid due diligence process. The following is a summary of the salient features of the Citizenship Programme.

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What are the minimum criteria for eligibility for the main applicant?

- Individual must be at least 18 years of age;
- Is required to make a contribution to the economic development of Malta by the payment of a non-refundable contribution to the Malta National Development & Social Fund / Consolidated Fund; and
- Is required to, within four months of issue of a Letter of Approval in Principle, provide evidence that:
 - The main applicant and dependents are covered by a global health insurance policy;
 - The main applicant acquires and holds immovable residential property situated in Malta having a minimum value of €350,000 (approx. USD 473,900) or leases immovable residential property in Malta for a minimum annual rent of €16,000 (approx. USD 21,664) (property purchased or leased must be retained for at least five years from date of purchase/lease);
 - The main applicant has made such other investments in Malta to an amount of €150,000 (approx. USD 203,100) amongst others in stocks, bonds, debentures, special purpose vehicles or other investment vehicles as may be identified by the competent authority; and

- The main applicant has been a resident of Malta for a period of at least 12 months preceding the day of the issuing of the certificate of naturalisation.

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Eligible dependents

Eligible dependents of the main applicant and who are also eligible for consideration under the Citizenship Programme are:

- Spouse.
- Child [including adopted child] of applicant or spouse and who is less than 18 years of age.
- Child of applicant or spouse who is less than 26 years old and more than 18 years old, and who is not married and who is wholly maintained by the applicant.
- Parent or grandparent of the applicant or spouse who is more than 55 years of age and who is wholly maintained by the applicant and forms part of the household of the applicant.
- Child of the applicant or spouse who is more than 18 years of age, is physically or mentally challenged and who is living with and is supported by the applicant.

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What are the minimum criteria for eligibility for both the main applicant and the dependent?

- A proper background verification of the applicant and dependents more than 12 years of age;
- Clean police certificates issued by Malta Police Authorities plus the competent police authorities in the country of origin and in the country(ies) of residence where the applicant has resided for a period of more than six months during the last 10 years [alternatively, if police certificates are not obtainable, a sworn affidavit that has a clean criminal record];
- Certificate in the form prescribed by the competent authority from a reputable health system that the main applicant and dependents are not suffering from any contagious disease and that they are otherwise in good health;
- Not indicted before the International Criminal Court;
- Not listed with the International Criminal Police Organisation;
- Not, or may not be, a potential threat to Malta national security, public policy or public health;
- Not have pending charges related to crimes of terrorism, money laundering, funding of terrorism, crimes against humanity, war crimes, or crimes that infringe upon Protection of Human Rights and Fundamental Freedoms as established by the European Convention on Human Rights or has been found guilty of any such crimes;
- Not found guilty or have charges brought against him/her regarding any criminal offences that disturb the good order of family;
- Not found guilty or is being interrogated and suspected, or has criminal charges brought against him/her for any of the criminal offences (other than involuntary

offences) punishable with more than one year imprisonment [a sworn declaration before a duly appointed Commissioner of Oaths, lawyer or notary public is required to the effect that the information provided is true and correct]; and

- Not denied a visa to a country with which Malta has visa-free travel arrangements and who has not subsequently obtained a visa to the country that issued the denial.

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Other qualifying beneficiaries

- Beneficiaries of the (Malta) Global Residence Programme shall be allowed to apply for the Citizenship Programme subject to satisfying all the eligibility requirements of the Citizenship Programme.

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Contributions

The following non-refundable contributions to the Malta National Development & Social Fund / Consolidated Fund are required to be made following the receipt of the Letter of Approval in Principle in terms of the Citizenship Programme:

Main applicant	€650,000 (USD 880,100*) of which a non-refundable payment of €10,000 (USD 13,540*) is required prior to submission of application
Spouse	€25,000 (USD 33,850*)
Children < 18 years of age	€25,000 each (USD 33,850*)
Unmarried children > 18 years of age but < 26 years of age	€50,000 each (USD 67,700*)
Dependent parent > 55 years of age	€50,000 each (USD 67,700*)

*approximate USD equivalent at rate of exchange of EUR/USD 1.354

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Application process

Every application shall be presented to and examined by the competent authority – Identity Malta – through an Accredited Person of Identity Malta (Deloitte Malta is an Accredited Person of Identity Malta). Identity Malta shall undertake due diligence checks (four tier) in respect of both the applicant and dependents.

The application process will follow the prescribed timeframe described below:

Timeline from date of presentation of application (“T”)	Process
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T + 90 days	<ul style="list-style-type: none"> • Application form checked. • Preliminary due diligence process concluded. • Due diligence fees + passport fees + non-refundable payment of €10,000 remitted. • Source of funds verified.
T + 120 days	Review and assessment by 'Identity Malta' and issuance of a Letter of Approval in Principle.
T + 125 – 145 days	Payment of Contribution (less non-refundable payment of €10,000) (Purchase/lease of immovable property and other investments required to be made within four months from the issuance of the Letter of Approval in Principle).
T + 183 days – 2 years	Issuance of certificate of naturalisation, subject to applicant having been resident in Malta for 12 months and having taken oath of allegiance.

The application is required to be made on prescribed forms and accompanied with the prescribed due diligence and bank charges fees. Original or certified copies of the following documents are required to be submitted with the application*:

- Prescribed health certificate issued by reputable health system that the applicant and dependents are not suffering from any contagious disease and are in good health;
- Police certificate(s);
- Evidence, through due diligence processes, that the main applicant and dependents are fit and proper persons to hold Maltese citizenship;
- An undertaking to remit the Contribution;
- An undertaking to purchase or lease immovable residential property situated in Malta;
- An undertaking to make such other investments in Malta in accordance with the regulations; and
- An undertaking to provide proof of residence in Malta.

*List is not exhaustive and further documentation may be required.

All the documentation is required to be in English, and if in a foreign language the documentation is to be accompanied by an authenticated translation into English. The applicant is also required to make an affidavit of support for each dependent (except in respect of the spouse) who is more than 18 years of age.

A maximum number of 1,800 successful applications will be accepted during the whole duration of the programme.

Fees to the competent authority

The following fees are payable to the competent authority and require to be made with the application:

Due diligence fees	
Main applicant	€7,500 (USD 10,155*)
Spouse	€5,000 (USD 6,770*)
Children > 13 years of age but < 18 years of age	€3,000 (USD 4,062*) each
Unmarried children > 18 years of age but < 26 years of age	€5,000 (USD 6,770*) each
Dependent parent > 55 years of age	€5,000 (USD 6,770*) each

*approximate USD equivalent at rate of exchange of EUR/USD 1.354

Due diligence fees are not refundable.

Other fees	
Passport fee	€500 (USD 677*) per person
Bank charges	€200 (USD 271*) per application

*approximate USD equivalent at rate of exchange of EUR/USD 1.354

Passport fees are refundable if passports are not applied for. Bank charges are not refundable.

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