

MALTA INDIVIDUAL INVESTOR PROGRAMME



Small Island, Big Appeal

The small Mediterranean island sitting between Sicily and the North African coast, is known for its historic sites from fortresses to megalithic temples and the Hal Saflieni Hypogeum, a subterranean complex of halls and burial chambers dating to 3600 BC.

Europeans have long known its draw but its big appeal is the attractive Individual Investor Programme (MIIP) for investors from outside of the European Union (EU). *fcbusiness* looks at what the MIIP is, how it operates and is administered and how non-EU nationals can benefit.

How does the the Malta Individual Investor Programme (MIIP) work?

The MIIP grants applicants and members of their families who satisfy certain requirements Maltese and EU Citizenship and is administered by Identity Malta Agency (IMA), the Government of Malta agency responsible for citizenship.

The main requirements are:

- A onetime contribution of EUR 650,000 for the main applicant and EUR 25,000 or EUR 50,000 for each other dependant (depending on their age);
- The main applicant must purchase residential property in Malta with a minimum value of EUR 350,000, or lease residential property in Malta for a minimum annual rent of EUR 16,000 (and in both cases retain it for a minimum period of 5 years);
- The main applicant must invest EUR 150,000 in government bonds/stocks, which must be held for a minimum period of 5 years;
- The main applicant and his family members must be covered by a global health insurance



- policy of at least EUR 50,000 per person per annum; and
- The main applicant must also prove that he has resided in Malta for a period of 12 months.

This residency requirement is not a day counting exercise but has been interpreted by IMA as requiring the main applicant to establish and maintain genuine links and ties with Malta and to have residence status in Malta. These links and ties may take various forms which include business/commercial ties, personal ties, social ties and other links with Malta.

The first step leading to Maltese citizenship is for the applicant to apply for an e-residence card thereby enabling the main applicant to

reside in Malta and to travel to Malta and other Schengen countries, without requiring a visa. In the meantime all forms and supporting documentation relating to the application for Maltese citizenship are prepared and filed with IMA. One advantage of the MIIP is that after submitting the covering letter accompanying the application, containing the applicant's proposal as to the genuine ties he/she intends to establish as part of the 12-month residence requirement, IMA responds within a few weeks indicating its approval or otherwise, thereby already giving the applicant a clear idea of the possible qualification or otherwise under the MIIP. Besides, it is only once the applicant receives the Letter of Approval in Principle that the various requirements above need to be satisfied. ■

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A Sure Investment

fcbusiness speaks to Adrian Gabarretta and Anthony Cremona at GANADO Advocates to find out more about Malta's Individual Investor Programme (MIIP), the attraction and how it works.

The MIIP is the first of its kind to be recognised by the European Commission. How does this benefit potential investors?

This recognition grants applicants added comfort that they are participating in a robust citizenship programme that is well regarded internationally. The fact that the European Commission has officially recognised the validity of the MIIP also ensures that successful applicants can freely enjoy the rights of a European Union citizen, without the fear that these rights may not be recognised by other European Union member states.

Who can apply under the the MIIP?

The main applicant must be at least 18 years of age and must meet the application requirements. He may also include his dependants with his application including his spouse, minor children, children who have not yet attained the age of 27 and who are fully supported by the main applicant, parents and grandparents.

What are the benefits of Maltese citizenship?

Since Malta is a member of the EU and also part of the Schengen Area, Maltese citizenship grants significantly improved mobility within EU and Schengen member states, together with the unrestricted right to live and work within the EU. Holders of Maltese citizenship are also able to avail themselves of visa-free travel to more than 160 countries including the United States of America, Canada and the United Kingdom.

Furthermore, Maltese citizenship is also passed down to the children born to individuals after becoming Maltese citizens.

What makes Malta an attractive option?

The MIIP is a tried and tested programme that grants successful applicants all the benefits of European citizenship. A British colony for more than 160 years, Malta achieved independence in 1964 and membership of the EU in 2004. Located in the heart of the Mediterranean, the Maltese Islands are easily accessible through frequent flights to and from mainland Europe. Malta boasts a large number of pre-historical, historical, and cultural sites. Valletta, the historic capital city built by the Knights of St. John, will be the European Capital of Culture in 2018. Malta has been consistently recognised as having a safe and secure environment and excellent all year round climate. Maltese society is cosmopolitan and its work-force is English speaking. Furthermore, Malta enjoys a good quality of life and a relatively high standard of living.

All these factors have attracted applicants under the MIIP. Moreover, Malta allows dual citizenship, so successful applicants need not necessarily revoke their current citizenship.

Can investors keep non-domicile status?

Yes, because Maltese citizenship does not automatically give rise to tax residence and/or domicile in Malta and therefore applicants would not necessarily be subject to Maltese tax on a world-wide basis.

We have seen in recent weeks the issues surrounding transparency and accountability. How do you ensure investors are genuine?

All applications under the MIIP need to be submitted by persons who have been accredited by Identity Malta Agency (IMA) for this purpose. A thorough customer due-diligence exercise

needs to be performed in respect of applicants. Furthermore, once an application has been submitted, IMA undertakes a rigorous due-diligence check on all applicants, which includes the verification of all information submitted, a background check and also verification of source of funds. It is only once IMA is completely satisfied with the results that the applicant is issued with a letter confirming that the application has been approved in principle.

How can GANADO Advocates advise potential clients in connection with MIIP?

A wholly owned affiliate of GANADO Advocates, Ganado Trustees & Fiduciaries Limited (GTFL), has been approved and licensed as an Accredited Person by Identity Malta Agency and can therefore submit applications under the MIIP as well as assist with the collation and preparation of all the relevant application forms and supporting documentation. We also give personalised attention throughout the application process including during the applicants' visits to Malta and we will also handle all communication with IMA. Due to its broad experience with the MIIP, the team at GANADO is also able to assess the prospects of the success of an application from the start.

Furthermore, GTFL draws on the support of GANADO Advocates which is a full service law firm with an extensive private client practice that is well regarded for its high quality professional services. With a dedicated MIIP practice team, applicants are afforded all necessary legal and tax advice, together with assistance relating to the purchase or lease of real estate and estate/succession planning. ■