

act



Citizenship by investment

The Malta Individual Investor Programme

The Individual Investor Programme (IIP), introduced in Malta in 2013, allows for the granting of a citizenship status, by means of a certificate of naturalisation, to those individuals who contribute to the economic and social development of Malta. The granting of citizenship to these applicants and their dependents is based on such a contribution, but is always subject to a very strict due diligence process, including but not limited to very meticulous background checks of the individual applicants.

Minimum Criteria

In order to qualify for citizenship, the main applicant needs to satisfy the following criteria:

- be at least 18 years of age;
- provide proof of having been a resident of Malta for a period of twelve months preceding the issuance of a certificate of naturalisation; and
- meet certain investment requirements.

Investment Requirements

➤ Acquisition or Lease of an Immovable Property:

The main applicant is required to provide proof that immovable property situated in Malta has been either acquired or leased.

The minimum value for the acquisition of a property, which is to be held for at least 5 years, is that of €350,000, whilst the minimum annual rent for the leasing of a property is that of €16,000 with a minimum lease period of 5 years. It is important to note that immovable property cannot be let of sublet.

➤ Contribution to the National Development and Social Fund

The main applicant is required to contribute at least €650,000 to Malta, €10,000 of which needs to be paid upon application and is not refundable. The aim of such a contribution is to finance projects related to education, public health and job creation amongst others. The contributions required from the main applicant's dependants are as follows: spouses and children below 18 years of age: €25,000 each; unmarried children between 18 and 26 and dependant parents above 55 years of age: €50,000 each.

➤ An Investment in Stocks, Bonds or Debentures

Periodically Identity Malta, which is the Maltese government agency administering the programme, will publish a list of stocks, bonds, debentures, special purpose vehicles or other investments in the Government Gazette. The main applicant is required to put money into any one of these investments, the minimum value of which is set at €150,000. Such investments are to be held for a minimum period of 5 years.

Due Diligence Documentation

Applications must be submitted to Identity Malta together with the following supporting identification and verification documents:

- Police conduct certificates;
- A Global Health Insurance coverage together with a certificate from a reputable health system stating that the main applicant and his dependants are not suffering from any contagious disease and that they are in good health;
- Proof that the main applicant and his dependants are fit and proper persons;
- An undertaking to remit the required contribution when called to do so by Identity Malta;
- An undertaking to purchase or lease immovable residential property in Malta;
- An undertaking to make other investments as required by the regulations;
- An affidavit of support for each dependant who is over 18 years old;
- Proof that the main applicant has been a resident of Malta for a period of 12 months preceding naturalisation.

All documentation is to be submitted in English.

All applicants aged 18 years and over are obliged to attend in person in Malta to undertake the Oath of Allegiance.

Additional Fees And Charges

Due diligence fees (not refundable)

€7,500 for the main applicant

€5,000 for the spouse

€3,000 for each and every child aged between 13 and 18 years of age

€5,000 for each and every dependant unmarried child between 18 and 26 years of age and for each and every dependant parent above 55 years of age

Passport fees (refundable if passports are not applied for)

€500 per person

Bank charges (not refundable)

€200 per application

The process of application for the IIP is carried out through a Concessionaire, Accredited Persons or Approved Agents.

Application Process

After the application is submitted to Identity Malta, the necessary due diligence checks will be carried out in order to ascertain that the application is duly filled in and signed by all the applicants, all required documentation is provided and to reconfirm that the applicant is fit and proper based on numerous independent due diligence checks carried out. This process shall take up to 90 working days.

Once the said verification is completed, the Authorities shall, within a 30 day period, inform the applicant's representative in writing that the application has been approved in principle, refused or delayed.

If the Authorities deem the application to be satisfactory according to the stipulated guidelines, a letter of Approval in Principle is issued whereby the main applicant is informed that he/she has a 4 month period during which any missing documentation needs to be submitted. This late submission would have been approved by Identity Malta at an earlier stage of the application. Such documentation might consist of the global health insurance policy and the contract of purchase or lease of an immovable property.

After the issuance of the Letter of Approval in Principle, the applicant is requested to remit the remaining contribution less the non-refundable payment of €10,000. Such request is to be made within 5 days from when the main applicant receives the Letter of Approval, whilst the remittance is to be received within 20 days of such instruction. When the Authorities are satisfied that all is in order, they will contact the Minister and inform him about the state of affairs of a particular case and instruct him to issue a certificate of naturalisation. The latter will only be issued if there is sound proof that the main applicant has been a resident of Malta for a period of at least 12 months preceding the day of in which the certificate of naturalisation was issued.

The last step towards the main applicant becoming a Maltese citizen, for all intents and purposes, would be the oath of allegiance.

The whole process takes between six to twenty four months, provided Identity Malta is satisfied that all conditions are duly satisfied by the main applicant and each of the dependents.

Currently the programme is capped at 1,800 main applicants.

This fact sheet contains general information only and is not intended to address the circumstances of any particular individual or entity. By means of this fact sheet, ACT is not rendering any accounting, business, financial, investment, legal, tax, or other professional advice or service. This fact sheet is not a substitute for such professional advice, nor should it be used as a basis for any decision or action that may affect your finances or your business. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. ACT shall not be responsible for any loss whatsoever sustained by any person who relies on this fact sheet. Information as at 30th June 2014.



For further information please contact:

ACT Advisory Services Limited

Villa Malitah, Mediterranean Street, The Village, St Julians STJ 1870 - MALTA

T: (+356) 2137 8672, (+356) 2137 8668, (+356) 2137 8675

F: (+356) 2137 8680 | **E:** info@act.com.mt | www.act.com.mt