

TAX update

04/14

THE MALTA
INDIVIDUAL INVESTOR PROGRAMME (MIIP)


KINANIS
CONSULTING

A. INTRODUCTION

In December of 2013, the Maltese Government launched the Malta Individual Investor Programme (hereinafter 'the MIIP') and has published the laws and guidelines accordingly.

The main scope of the MIIP is that it grants Maltese Citizenship to the successful applicant and his dependants. Such Citizenship is granted by a certificate of naturalization to applicants who contribute to the economic development of Malta.

In brief, the Programme allows investors to acquire Maltese Citizenship by satisfying four simple criteria:

- Investing under the conditions set forth below;
- Residency Requirements;
- Satisfying the Due Diligence Criteria;
- Sustaining the Eligibility Criteria.

B. INVESTMENT CONDITIONS

The first criterion is that the applicant is required to contribute to the economic development of Malta. This is done by satisfying all of the following requirements:

Investment Requirements	Main Applicant	Dependant
Minimum Contributions	<p>€650.000 – of which €10.000 are non-refundable and payable prior to the submission of the application.</p> <p>If the applicant applies for Maltese Residence (see point C below), he will have to pay €5.000 upon such application which will be deducted from the €10.000.</p>	<ul style="list-style-type: none"> • Spouse: €25.000 • Every child under 18 years: €25.000 • Every dependant unmarried child between 18-26 years: €50.000 • Every dependant parent over 55 years: €50.000 • Every dependant applying for Malta Residence (see point C below) has to pay €1.000
Property in Malta	<p>Applicant must either:</p> <ul style="list-style-type: none"> • Acquire residential property in Malta having a minimum value of €350.000; or • Lease residential property in Malta for a minimum annual lease of €16.000. <p>Such property must be retained for at least 5 years by applicant and may not be let or sublet.</p>	<p>Dependants are not required to invest in property in Malta. Parents of the applicant have to form part of the household.</p>

Investment Requirements	Main Applicant	Dependant
Investment in Government Bonds	<p>€150.000 investment in stocks, bonds or other SPVs as approved by the Government of Malta.</p> <p>Such investments must be retained for at least 5 years by applicant.</p>	Dependants are not required to invest in such bonds.

In total, the main applicant is to make a contribution of **€1.150.000** (comprising in €650.000 + €350.000 + 150.000). Please note that this amount will be significantly less if the applicant opts to lease property in Malta than purchase the same.

C. RESIDENCY REQUIREMENTS

It must be noted that no certificate of naturalisation shall be issued unless the main applicant provides proof that he has been **a resident of Malta for at least 12 months** preceding the day of the issue of the certificate of naturalisation.

The burden of proving such residency lies on the applicant. Though the applicant does not need to spend all 365 days physically resident in Malta, the Maltese Authorities insist on a “Genuine Link with Malta” which can be evidenced by a number of activities. It is advisable that the applicant lists down his proposed activities that lead to such a “Genuine Link with Malta” in his MIIP Application Form.

In order to expedite the process of this residency requirement, it is also advisable that the applicant applies as early as possible for his Maltese residency (unless he is already a Maltese resident). The documentation and information required to apply for residency are outlined in Annex 2.

D. DUE DILIGENCE CRITERIA

Applicants have to submit proof of the following Due Diligence documents in original or else as certified by lawyer or notary:

Document Required	Comments
Age	Main applicant must be at least 18 years of age.
Health Certificate	In prescribed form (Point B, Annex I), showing that applicant and dependants are in good health and not suffering from any contagious disease.
Evidence of Fitness and Properness	Any documentation that may be required, including declaration mentioned in Section E below.
Undertakings	Applicant must submit declarations to remit and comply with the provisions in Section B above.
Personal Background	In prescribed form (Point B, Annex I), detailed personal background verification of the applicant and any dependants over 12 years of age.
Police Certificate	A police certificate issued by the Malta police as well as a police certificate issued by the competent authorities in the country of origin and in the country or countries of residence where the applicant has resided for a period of more than 6 months during the last 10 years.

E. ELIGIBILITY CRITERIA

Applicants and any dependants have to satisfy the following Eligibility Criteria:

Criteria Required	Comments
International Criminal Record	Applicant and dependants must not be: <ul style="list-style-type: none"> • Indicted before the International Criminal Court • Listed on the INTERPOL • A threat to national security, public health or public policy
Other Criminal Record	Applicant and dependants must not be: <ul style="list-style-type: none"> • A person with pending charges relating to money laundering, terrorism, crimes against humanity or war crimes etc. • A person with charges relating to offences against the good order of the family, including paedophilia, rape, defilement of minors, abduction, prostitution etc. • A person guilty of any offence punishable with more than 1 year imprisonment.

The applicant shall attach with his application a sworn declaration before a commissioner for oaths, lawyer or notary public that the said information that he has provided is true and correct. This has to be done in the Prescribed Format as per point D in Annex I.

F. DOCUMENTATION FORMAT

By law, the following conditions have to be abided with while submitting the documentation and application form.

Criteria	Comments
Application	All applications are to be filled in the prescribed format. Please check Annex I for the overview of requirements
English Language	All supporting documentation must be submitted in English or otherwise, must be accompanied by an authenticated translation.
Authenticated Translations	Done by a professional translator who is officially accredited to a court of law, a government agency, an international organization or similar institution. If the translation is done in a country where there are no official accredited translators, it is to be done by a company whose role or business is professional translation.

Criteria	Comments
Completion of Form	This must be done by the applicant. If he is unable, it must be completed by a legal representative and signed by the applicant.
Dependants who are minors	Dependants who are below 18 years of age shall have the forms signed by both parents. If only 1 parent has legal custody of the child, the appropriate documentation proving this is to be submitted.
Documentation Submitted	When any documentation is submitted, it must be either in original or must be a certified copy by a notary or lawyer. The person certifying shall provide full name, capacity in which the person is acting, residential and business address, contact numbers and email address. If a document is certified as true copy, it must be duly apostilled.

G. FALSE STATEMENTS AND A CRIMINAL RECORD

If an applicant makes a false statement or omits information requested, the application may be declined solely on that basis. In addition, if an applicant has a criminal record, is subject of a criminal investigation, is a potential national security threat to Malta or is likely to be involved in any activity likely to cause disrepute to Malta or has been denied a visa to a country with which Malta has a visa-free travel arrangement, his/her application shall not be approved for citizenship under the MIIP unless there are special circumstances demonstrated by the applicant.

H. PROCESS AND TIME FRAMES

Days	Activity
90 days from filing of application	Maltese Authorities shall verify the contents of the application and conduct the due diligence on the applicant and his funds.
30 days from above verification	Authorities shall conduct further due diligence if appropriate and shall notify the applicant if his application has been approved by issuing a “Letter of Approval in Principle”.
25 days after Letter of Approval in Principle	Applicant will remit the Minimum Contribution less the €10,000 already paid on account as explained above in Section B.
4 months after Letter of Approval in Principle	Applicant to submit the following declaration / evidence: <ul style="list-style-type: none"> • Evidence that applicant and dependants are covered by a global health insurance policy and that they are in a position to retain it indefinitely; • An undertaking that he will acquire or hold residential property as explained above in Section B. • An undertaking that he will invest in the bonds/stock as explained above in Section B.
Within 12 months of residency achieved and evidenced	<p>Subject to the conditions of the Letter of Approval in Principle, the Government of Malta shall issue a certificate of naturalisation in the name of the applicant.</p> <p>This certificate shall only become effective after the applicant takes an oath of allegiance.</p>

I. APPLICATION PROCESS

Applications for the MIIP may only be submitted to the Maltese Authorities through registered intermediaries or agents.

All public documentation executed outside Malta must be accompanied by an Apostille Certificate.

The following non-refundable fees are to be paid together with the application:

Type of Fee	Amount
Minimum Contribution	<p>€10.000 (as mentioned in Section B)</p> <p>If the applicant applies for Maltese Residence, he is required to pay a non-refundable €5.000 contribution, which shall be deducted from the €10.000 contribution that will be submitted with the application form. Dependents are to pay a fee of €1.000</p>
Due Diligence Fees	<p>This is payable as follows:</p> <ul style="list-style-type: none"> • €7.500 by the main applicant • €5.000 by the spouse • €3.000 by each child between 13-18 years • €5.000 by each child between 18-26 years • €5.000 by each dependant parent over 55 years
Passport Fees	€500 per person
Bank Charges	€200 per application

J. THE WAY FORWARD

The applicant might appreciate that there is a number of documentation to be compiled. In order to expedite the process as much as possible, please send us:

- Our Preliminary Due Diligence Requirements on every applicant and dependant:
 - Passport Copies
 - Bank or Professional Reference
 - Detailed CVs
 - Utility Bills

All the above must either be in original or else certified as true copy by a lawyer, notary, auditor or accountant clearly indicating his name, profession and contact details.

- Proof of Residence as per Paragraph C above.

K. MISCELLANEOUS

It is to be noted that the MIIP is only available to the first 1,800 applicants (excluding dependants), following which, the Government will then close the MIIP.

Also, the names of all persons who are granted citizenship under the MIIP shall be published in the Maltese Government Gazette.

L. OUR SERVICES

The Officials of Kinanis Consulting are official agents to the Maltese Authorities for the MIIP and hence are in a position to assist the applicant by providing the following services:

- Preliminary advise on the MIIP;
- Assistance in collection of the required documentation;
- Liaising with the Maltese Authorities;
- Ancillary assistance related to the MIIP.

M. CONCLUSION

The Individual Investor Programme is Malta's main aim is to attract high net worth individuals to contribute by investing in Malta in return for a Maltese passport. Since Malta is a member of the European Union as well as part of the Schengen Area, citizenship under this MIIP will endow the successful applicant with access throughout the EU.

N. DISCLAIMER

This publication has been prepared as a general guide and for information purposes only. It is not a substitution for professional advice. One must not rely on it without receiving independent advice based on the particular facts of his/her own case. No responsibility can be accepted by the authors or the publishers for any loss occasioned by acting or refraining from acting on the basis of this publication.

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ANNEX I – INFORMATION REQUIRED FOR THE IIP APPLICATION FORM

For every main applicant and any dependants, the following information will need to be filled-in and signed in the Prescribed Application Form to obtain a Maltese Citizenship:

Particulars Required	Details
A – Particulars of Applicant	<ul style="list-style-type: none"> • Name and Surname • Place of Birth • Date of Birth • Permanent Residential Address • Passport details • ID Card Reference (where available) • Current Nationalities held
B – Particular Forms <i>(in Prescribed Format)</i>	<ul style="list-style-type: none"> • Personal Details, Family Information, Education and Employment History • Statement of Source of Funds and Wealth • Photograph and Signature Certificate of Applicant Medical Report and Questionnaire - ideally to be done in Malta.
C - Miscellaneous	<ul style="list-style-type: none"> • Name of any dependants and their relationship to main applicant (where applicable) • Detailed explanation of reasons for seeking to obtain Maltese Citizenship • Provide any other additional information which might be considered as relevant
D – Declarations <i>(in Prescribed Format)</i>	<p>The applicants and dependants will declare whether they:</p> <ul style="list-style-type: none"> • Served in the armed forces in the past • Were arrested, charged, convicted of any crimes of any country • Were involved in any illegal activities of any kind • Were refused residence permits or citizenship application in any country • Are Politically Exposed Persons (PEP)

ANNEX 2 – INFORMATION REQUIRED FOR THE RESIDENCE PERMIT APPLICATION

For every main applicant and any dependants, the following information will need to be filled-in and signed in the Prescribed Application Form to obtain a Maltese Residency:

Particulars Required	Details
A – Particulars of Applicant	<ul style="list-style-type: none"> • Information as per Section A of Annex I above • Address in Malta • Date of first settlement in Malta • Intended duration of stay in Malta • Country of residence prior to settlement in Malta • Intended country of next settlement
B – Supporting Documentation	<ul style="list-style-type: none"> • Copy of passport • Copy of comprehensive health insurance • Proof of financial means (bank statements) • Covering letter explaining in detail the reasons for request to reside in Malta (non EU) • In the case of High Net Worth individuals / Global Residence Scheme – a certificate issued by the Inland Revenue will be required. • Evidence of comprehensive global health insurance policy with a minimum of €50.000 medical expenses coverage per person.
C - Supporting Documentation for Dependants	<ul style="list-style-type: none"> • Documents showing relationship with Main Applicant • Receipt of submission of application for a residency permit by main applicant
D – Fees	<p>Every Main Applicant's Residency Permit Application fee is €5.000. This will be deducted from the €10.000 initial non-refundable fee.</p> <p>Every Dependant's Residency Permit Application fee is €1.000</p>
E – Physical Presence	<p>Non-EU applicants must physically submit the application form themselves to the Maltese Authorities and must be covered by an authorisation to stay in Malta</p>

The Firm

Kinanis Fiduciaries Limited is a Maltese corporate service provider specializing in corporate and tax advice excelling in providing the international investor with a one-stop-shop solution in doing business through Malta.

The Services

- **Company Incorporations & Management**
- **Taxation**
- **Accounting & VAT**
- **Aircraft, Ship and Yacht Registration**
- **Trusts Formation**
- **Investment Fund License Application & Set Up**
- **Remote Gaming License Applications**
- **Intellectual Property**
- **Opening & Management of Bank Accounts**

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