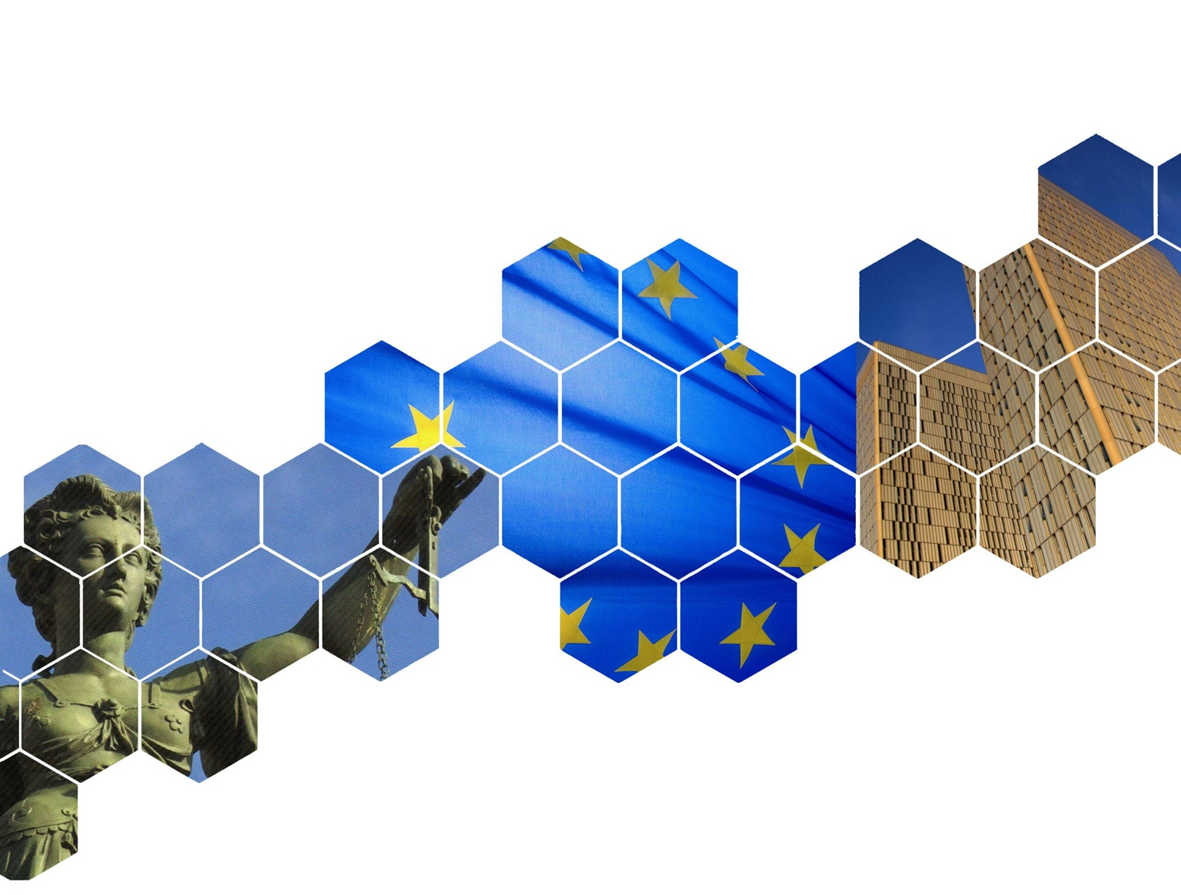


***Factual analysis of Member States Investors’ Schemes granting citizenship or residence to third-country nationals investing in the said Member State***

***Deliverable B.II Investors’ Residence Schemes in Malta***

*JUST/2016/RCIT/FW/RIGH/0152 (2017/06)*

March 2018



|  |
| --- |
| This Report has been prepared by Emma Psaila and Jelena Dzankic for Milieu Ltd under the contract JUST/2016/RCIT/FW/RIGH/0152 (2017/06).  The views expressed herein are those of the consultants alone and do not necessarily represent the official views of the European Commission.  **Milieu Ltd** (Belgium), Chaussée de Charleroi 112, B-1060 Brussels, tel.: +32 2 506 1000; e-mail: [emma.psaila@milieu.be](mailto:emma.psaila@milieu.be); [ana.gomez@milieu.be](mailto:ana.gomez@milieu.be) and [vanessa.leigh@milieu.be](mailto:vanessa.leigh@milieu.be); web address: [www.milieu.be](http://www.milieu.be/). |

|  |
| --- |
| ***Factual analysis of Member States Investors’ Schemes granting citizenship or residence to third-country nationals investing in the said Member State*** |

**TABLE OF CONTENTS**

[I. GENERAL BACKGROUND 1](#_Toc517765938)

[II. PROCEDURES, COMPETENT AUTHORITIES AND APPLICABLE CRITERIA 6](#_Toc517765939)

[1 Application Phase 6](#_Toc517765940)

[2 Type of investment 18](#_Toc517765941)

[3 Residence Phase 22](#_Toc517765942)

[4 Due diligence criteria and security considerations 25](#_Toc517765943)

[III. RIGHTS GRANTED BY THE PERMITS 30](#_Toc517765944)

[1 Rights granted to investors 30](#_Toc517765945)

[2 Rights granted to the investors’ family members 32](#_Toc517765946)

[3 Other benefits 32](#_Toc517765947)

[IV. INTERACTION BETWEEN RESIDENCE AND CITIZENSHIP SCHEMES 33](#_Toc517765948)

[V. ECONOMIC AND FINANCIAL EFFICIENCY OF RESIDENCE PERMITS FOR FOREIGN INVESTORS 34](#_Toc517765949)

1. GENERAL BACKGROUND

* ***Legal background***

The legal basis for the acquisition of Maltese residency by investment is Legal Notice 288 of 2015, the Malta Residence and Visa Programme Regulations (LN 288/2015)[[1]](#footnote-1) adopted under Malta’s Immigration Act.[[2]](#footnote-2) The adoption of the regulations followed the standard procedures for the issuance of Legal Notices in Malta, including discussion of the draft legislation with the opposition, stakeholders and parliamentary deliberation. Unlike in the case of the 2014 Individual Investor Programme, there was no major public debate related to the **Malta Residence and Visa Programme (MRVP)** within Malta, or internationally.[[3]](#footnote-3)

Beneficiaries of the MRVP obtain a certificate entitling them to reside, settle, or stay indefinitely in Malta. In the first five years, the applicant’s entitlement to reside in Malta in view of the programme’s conditions is monitored annually. Thereafter, it is monitored every five years.

MRVP is open to individuals who do not have a nationality of the European Economic Area (hence excluding citizens of the European Union, Iceland, Norway, Lichtenstein) or Switzerland. Due to security reasons, the scheme is not open to nationals of Afghanistan and the Democratic People’s Republic of Korea and ‘applications from other countries may also be excluded in accordance with Government policies’.[[4]](#footnote-4)

While the MRVP is the main focus of this report, the provisions of Legal Notice 167 of 2013, the Global Residence Programme Rules (LN 167/2013)[[5]](#footnote-5) are also described. LN 167/2013 was adopted under Malta’s Income Tax Act.[[6]](#footnote-6) It introduced the **Global Residence Programme (GRP)** that results in a **special tax status** for third country national beneficiaries. The GRP **does not in itself grant residence rights** to its beneficiaries, even though the programme’s official title contains the word ‘residence’ that is misleading.

Beneficiaries of the GRP can apply for a residence certificate under the MRVP if they satisfy the additional eligibility requirements of LN 288/2015.[[7]](#footnote-7) Alternatively, beneficiaries of the GRP may apply for a uniform residence permit under Regulation 12 of the Immigration Regulations[[8]](#footnote-8) - subsidiary legislation issued under the Immigration Act. In accordance with Regulation 12(1) of the Immigration Regulations, a third country national can reside in Malta if a uniform residence permit for a specific purpose is issued in his or her regard. Article 7 of the Immigration Act deals with the issuance of residence permits. Further information is provided in point 3 of Section II below.

Finally, it is noted that Regulation 4 of Legal Notice 47 of 2014, the Individual Investor Programme of the Republic of Malta Regulations (LN 47/2014)[[9]](#footnote-9) stipulates that ‘beneficiaries of the Global Residence Programme provided for under the Income Tax Act shall be allowed to apply for the Individual Investor Programme subject to satisfying all the additional eligibility requirements of the Programme’. The Individual Investor Programme is explained in detail in Deliverable BI for Malta.

* ***Competent authorities***

1. **MRVP**

The Parliamentary Secretary for Competitiveness and Economic Growth launched the MRVP in 2015. As of 2017, the **Malta Residence and Visa Agency** **(MRVA)** is entrusted with the regulation and running of the MRVP.[[10]](#footnote-10)

The MRVA was originally set up by Legal Notice 107 of 2017, the Malta Residency Visa (Establishment of an Agency) Order (LN 107/2017).[[11]](#footnote-11) On 29 March 2018, LN 107/2017 was replaced by Legal Notice 97 of 2018, the Malta Residency Visa (Establishment) Order (LN 97/2018).[[12]](#footnote-12) LN 97/2018 repeals LN 107/2010[[13]](#footnote-13) and provides for the setting up of a five-member Board of Directors and a Secretary of the Board appointed by the Minister responsible for identity management.[[14]](#footnote-14) One of the five Directors is the Chairperson of the Board.[[15]](#footnote-15) LN 97/2018 does not specify the functions of the Board of Directors and given its recent adoption it is not possible to specify what role it fulfils in practice.

LN 97/2018 also sets up the office of Chief Executive Officer, appointed by the Minister and responsible for the performance, functions, duties and daily management of the MRVA.[[16]](#footnote-16) The Chief Executive Officer is answerable to the Board of Directors and is vested with the legal and judicial representation of the MRVA.[[17]](#footnote-17) No further specification of the role of the Chief Executive Officer is provided.

The MRVA carries out functions and duties of public administration in relation to a number of matters, *inter alia*:

* Issuing residence certificates by investment and other administrative matters related to those wishing to stay or settle indefinitely in Malta or Gozo;
* Working and collaborating with the Identity Malta Agency with regards to the issuance of residency documents;
* Establishing accredited agents;
* Performing due diligence checks on all applications;
* Implementing and maintaining internal standard operating procedures;
* Timely issuance of the indefinite certificate of residence and residence documents;
* Remaining abreast of other international residence schemes by investment whilst ensuring that the MRVA remains competitive;
* Meeting, monitoring and managing MRVA concessionaires and providing them with the required support and guidance whilst ensuring compliance with the conditions of the agreements in force.[[18]](#footnote-18)

This is in line with the Fourth Schedule to the Public Administration Act,[[19]](#footnote-19) stating that MRVA’s functions are to ‘execute the functions and duties of the public administration in matters relating to issuing of residence visas by investment and other administrative matters related to individuals wishing to stay or settle indefinitely in Malta or Gozo’.

Article 8 of LN 97/2018 sets up an Approvals Board composed of four Directors – one of whom is the Chairperson of the Board – appointed by the Minister responsible for identity management. The Approvals Board is a separate Board of the MRVA tasked with the recommendation of approvals or rejection of residence certificates presented to it by the Chief Executive Officer. As of March 2018, the Approvals Board is therefore the decision-making body.

In addition to the MRVA, the **Identity Malta Agency** also plays a key role. Identity Malta was set up by Legal Notice 269 of 2013, the Identity Malta Agency (Establishment) Order (LN 269/2013).[[20]](#footnote-20) It is a government agency tasked with carrying out functions and duties of the public administration in a number of matters, *inter alia*:

* Citizenship, visas, residence permits, work permits and other administrative matters related to expatriates;
* Passports;
* Individual investment programmes for expatriates or for persons who acquire Maltese citizenship, including the administration of funds deriving from such programmes.[[21]](#footnote-21)

This is in line with the Fourth Schedule to the Public Administration Act,[[22]](#footnote-22) stating that Identity Malta’s functions are to ‘execute the functions and duties of the public administration in matters relating to passports, identity documents, work and residence permits for expatriates, land registration and registration of public deeds, acts of civil status and individual investment programmes’.

The Minister responsible for identity management - currently the Ministry of Justice, Culture and Local Government - is responsible for both the MRVA and Identity Malta.[[23]](#footnote-23) When the matters the MRVA or Identity Malta is responsible for consist of or include the administration or investment of funds, the Minister responsible for identity management must act with the concurrence of the Minister responsible for finance.[[24]](#footnote-24) What these actions include is not specified in the legislation.

On 29 March 2018, LN 269/2013 was amended by Legal Notice 95 of 2018[[25]](#footnote-25) to provide for the setting up of a five-member Board of Directors appointed by the Minister responsible for identity management.[[26]](#footnote-26) The Directors are non-Executive Directors, each having one vote. One of the five Directors is a non-Executive Chairperson.[[27]](#footnote-27) The amendments also set up the office of the ‘Chief Executive Officer, Identity Management and Ancillary Services’, appointed by the Minister and responsible for the performance, functions, duties and daily management of Identity Malta.[[28]](#footnote-28) The Chief Executive Officer is answerable to the Board of Directors and is vested with the legal and judicial representation of Identity Malta.[[29]](#footnote-29)

At the same time, the Malta Individual Investor Programme Agency (Establishment) Order, Legal Notice 96 of 2018 (LN 96/2018)[[30]](#footnote-30) was adopted to set up the Malta Individual Investor Programme Agency (IIP Agency). The functions of the IIP Agency relate to the acquisition of citizenship by investment and are described in Deliverable BI.

The MRVA formed part of Identity Malta until April 2017.[[31]](#footnote-31) Being a new agency, MRVA is still fine-tuning its procedures. **LN 288/2015 is yet to be amended to reflect the separation of these agencies**. In practice, the MRVA is responsible for all aspects of the MRVP with the exception of the issuance of the residence permit that falls within Identity Malta’s competences.

In accordance with Article 6(1) of LN 97/2018 some of the members of the MRVA’s Board of Directors must also be involved in the direction of Identity Malta. Similarly, Article 6(1) of LN 96/2018 requires some of the members of the IIP Agency’s Board of Directors to be involved in the direction of Identity Malta. The rationale for this involvement is not self-evident but it has been reported that to ‘ensure coordination in policy-setting, some of the directors will be common to all three agencies’.[[32]](#footnote-32)

The purpose of the changes to the competent authorities introduced on 29 March 2018, appears to be solely the setting up of these posts within the MRVA, Identity Malta and a new IIP Agency. There was no call for applications for these posts.

To sum up, the MRVA is the main competent authority with respect to the MRVA and the new IIP Agency is the competent authority with respect to the IIP.[[33]](#footnote-33) Identity Malta is responsible for the issuance of residence permits and the registration of agents acting on behalf of MRVA or IIP applicants as described in point 1.2 of Section II below.

1. **GRP**

The Parliamentary Secretary for Competitiveness and Economic Growth launched the GRP in 2013.

The **Commissioner for Revenue** within the Inland Revenue Department is the competent authority for the purposes of the GRP and falls within the responsibility of the Minister responsible for finance and the Minister responsible for the economy, investment and small business. The Commissioner for Revenue is responsible for the administration of the Income Tax Act and the Income Tax Management Act.[[34]](#footnote-34)

The Second Schedule to the Public Administration Act attributes the following functions to the Commissioner for Revenue: the administration of fiscal legislation in relation to income and other taxes; ensuring that all persons preforming an economic activity for consideration duly register under the VAT Act[[35]](#footnote-35) and collecting dues. There is no reference to the Commissioner for Revenue having any competences in relation to residency. The Commissioner for Revenue’s role in terms of the GRP and as described in Section II below is provided for solely by LN 167/2013 as subsidiary legislation issued under the Income Tax Act.

Rights of entry and residence of GRP beneficiaries depend on whether they decide to meet the MRVP requirements, or apply for a uniform residence permit. Competent authorities in the case of the MRVP are described above. If GRP beneficiaries opt for a uniform residence permit under Article 12 of the Immigration Act and Immigration Regulations, the competent authority is the **Department for Citizenship and Expatriate Affairs** at **Identity Malta**.

1. PROCEDURES, COMPETENT AUTHORITIES AND APPLICABLE CRITERIA
2. Application Phase
   1. Procedures
3. **MRVP**

Regulation 2 of LN 288/2015 defines the ‘main applicant’ as an individual who has filed an **application** in terms of Regulation 5. In accordance with Regulation 5, **individuals duly represented by a registered approved agent and/or registered accredited person**[[36]](#footnote-36) may apply to the MRVA for the issuance of a residence certificate under the regulations.

Regulation 6 of LN 288/2015 sets out the **qualifications and general requirements** for a person to be issued a certificate under the regulations. In addition to being at least 18 years of age and meeting the application requirements, the person must make commitments to: provide proof of title to a qualifying property in Malta; invest in a qualifying investment; pay in full the contribution.[[37]](#footnote-37) Further details are provided in point 2 of Section II below.

Applications must be accompanied by the **non-refundable administrative fee** and by **originals or certified copies**[[38]](#footnote-38) **of**:[[39]](#footnote-39)

* A police certificate in relation to the main applicant and any dependant[[40]](#footnote-40) over 14 years of age at the time of application, issued by the competent authorities in the country of origin and in the country or countries of residence where such a person resided for more than six months during the last ten years. In exceptional cases, where it is proved to MRVA’s satisfaction that this certificate is not obtainable, a sworn affidavit by the main applicant on his own behalf or on behalf of each minor dependant over 14 years of age, and any adult dependant, on his own behalf, declaring a clean criminal record can be submitted. In certain circumstances the MRVA may accept that such certificates are submitted at a later date but in any case before the application is approved in principle.
* Evidence, through a ‘know your customer’ basis, due diligence processes, carried out by the registered approved agent and/or registered accredited person that there is no *a priori* evidence that the main applicant and dependants are not fit and proper persons.
* Undertaking to purchase or lease a qualifying immovable property in Malta.
* Undertaking, if necessary, to make other investments in Malta in accordance with LN 288/2015.
* Undertaking to remit the total of the required contribution, less the non-refundable administrative fee.
* A certificate from a reputable health system that the main applicant and dependants are not suffering from any contagious disease and are otherwise in good health and will not be, in terms of the medical review carried out by the MRVA, of an unreasonable burden on the national health system.
* Any other document as the MRVA may require from time to time. This grants the MRVA discretion to ask for other documents, but it is not stated what these might be nor were any other documents mentioned by the MRVA representative consulted.[[41]](#footnote-41)

Applications must be done in the **form prescribed by the MRVA** and require a **payment of a non-refundable administrative fee**[[42]](#footnote-42) of EUR 5,500.[[43]](#footnote-43) Application forms and accompanying documents must be completed in English. If the original language of the document is not English, it must be accompanied by an authenticated translation.[[44]](#footnote-44) It is noted that the application forms are not readily available on the MRVA’s website – a password is necessary in order to obtain access. The website does not provide details on how to obtain a password.

Where the individual qualifies as a beneficiary,[[45]](#footnote-45) the **MRVA will determine in writing that s/he is to be issued a certificate** under the regulations.[[46]](#footnote-46)

Following this determination in writing and **prior to issuance of the certificate**, the main applicant (as represented by a registered approved agent and/or registered accredited person in accordance with Regulation 12(1) of LN 288/2015) must:

* **Pay the contribution** less the non-refundable administrative fee paid when presenting the application. Regulation 2 of LN 288/2015 defines the contribution and further details are provided in point 2 of Section II below.
* **Present the necessary title to a qualifying property** (a qualifying owned property or a qualifying rented property). Regulation 2 of LN 288/2015 defines ‘qualifying owned property’ and ‘qualifying rented property’ and further details are provided in point 2 of Section II below.
* **Present a certificate to a qualifying investment**. Regulation 2 defines ‘qualifying investment’ as explained in point 2 of Section II below.
* **Present any other document as may be required** from time to time by notice issued by the MRVA.[[47]](#footnote-47)

The application process takes five to six months.[[48]](#footnote-48)

A **certificate will not be issued** to the main applicant or any of his/her dependants even if the MRVA issued an approval in principle, unless the above conditions are fulfilled to MRVA’s ‘full satisfaction’.[[49]](#footnote-49)

If an applicant makes a false statement or omits information requested, the **application may be declined** solely on that basis.[[50]](#footnote-50) In addition, Regulation 7 of LN 288/2015 sets out the minimum eligibility criteria as further explained in point 4 of Section II below. If these criteria are not met, the application will be turned down.

Regulation 8(1) of LN 288/2015 sets out **further conditions to be proved** to MRVA’s satisfaction by beneficiaries from the date on which the MRVA determines in writing that they are issued a residence certificate and **for the entire duration and persistence of the certificate**. **Beneficiaries must prove that they**:

* Are third country nationals and are not Maltese, EEA or Swiss nationals;
* Do not benefit from the Residence Scheme Regulations, the High Net Worth Individuals – EU/EEA/Swiss Nationals Rules, the Malta Retirement Programme Rules, the Residence Programme Rules, the Qualifying Employment in Innovation and Creativity Rules or the Highly Qualified Persons Rules;[[51]](#footnote-51)
* Hold qualifying property and a qualifying investment for a minimum period of five years from the date of issuance of the certificate;
* Receive stable and regular resources that are sufficient to maintain themselves and their dependants without recourse to Malta’s social assistance system;
* Have a valid travel document for themselves and for their dependants;
* Have sickness insurance in respect of all risks normally covered for Maltese nationals for themselves and their dependants, across the whole Schengen Area and states associated with the EU’s Schengen activities;
* Provide an affidavit declaring that from the date of application onwards they have either an annual income of not less than EUR 100,000 arising outside Malta or a capital of not less than EUR 500,000.

LN 288/2015 also provides for the **cessation of the certificate** in the circumstances stipulated by Regulation 9. With effect from the date of issuing of the certificate, **a beneficiary will cease to benefit from a certificate if s/he**:

* Becomes a Maltese, EEA or Swiss national;
* At any time after the date on which the MRVA determines in writing that a beneficiary is issued a residence certificate, does not satisfy the conditions set out in Regulation 8 or no longer remains eligible in terms or Regulation 7 or does not fulfil any commitment contemplated in LN 288/2015, in particular a commitment referred to in Regulation 6 (qualifications and general requirements);
* The stay is not in the public interest (this includes the interests of public safety, the protection of public order, national security, territorial integrity, public health or morals[[52]](#footnote-52)).

Individuals who cease to benefit from a certificate for any of these reasons must notify the MRVAwithin four weeks from the date when they become aware of such event. Where the notification is not made within the time limit an administrative penalty of EUR 15,000 will apply.[[53]](#footnote-53) The competent Ministers[[54]](#footnote-54) can however condone failure to satisfy the conditions listed above if the failure was due to unforeseen circumstances beyond the individual’s control, the individual notifies the Ministers of such failure and exercised his/her best efforts to remedy the failure.[[55]](#footnote-55) This means that in the aforementioned circumstances, the competent Ministers can decide to depart from the conditions set out in the law. Details on the procedures to follow for notifying the Ministers are not stipulated in the law nor are there specific provisions on monitoring such decisions by the Ministers.

An individual will also cease to benefit from a certificate if s/he notifies the MRVA of his/her intention not to remain a beneficiary.[[56]](#footnote-56)

LN 288/2015 **does not prescribe any legal remedies** in the case of refusal of residence. Moreover, as explained in point 1.3 below, the MRVA has absolute discretion. Its decisions are final and not subject to appeal.[[57]](#footnote-57)

1. **GRP**

Rule 2 of LN 167/2013 defines the ‘beneficiary’ as a third-country national[[58]](#footnote-58) who has been granted special tax status in terms of the GRP rules. In accordance with Rule 3(1), **individuals duly represented by an authorised registered mandatory**[[59]](#footnote-59) may apply to the Commissioner for Revenue for special tax status under the GRP rules.

Rule 4 of LN 167/2013 sets out the **general requirements** for a person to qualify as a GRP beneficiary. A beneficiary is an individual who is not a long-term resident[[60]](#footnote-60) and who proves to the Commissioner’s satisfaction that s/he:

* Is a third-country national and is not a Maltese, EEA or Swiss national;
* Is not a person who benefits under the Residents Scheme Regulations, the High Net Worth Individuals EU/EEA/Swiss Nationals Rules, the High Net Worth Individuals – Non-EU/EEA/Swiss Nationals Rules, the Malta Retirement Programme Rules, the Qualifying Employment in Innovation and Creativity (Personal Tax) Rules or the Highly Qualified Persons Rules;
* Holds a qualifying property holding as described in point 2 of this Section below;
* Has stable and regular resources which are sufficient to maintain the beneficiary and his or her dependants without recourse to Malta’s social assistance system;
* Has a valid travel document;
* Has sickness insurance in respect of all risks across the EU normally covered for Maltese nationals for the beneficiary and his or her dependants;
* Can adequately communicate in one of Malta’s official languages (English or Maltese);
* Is a fit and proper person.

Applications must be done in the **form** **prescribed by the Commissioner for Revenue** and require a **payment of a non-refundable administrative fee** of EUR 6,000.[[61]](#footnote-61) For applications where the qualifying property is a qualifying owned property situated in the south of Malta or Gozo, a lower non-refundable administrative fee of EUR 5,500 applies (see point 2 below).[[62]](#footnote-62) The application form is available on the Commissioner for Revenue’s website.[[63]](#footnote-63) Applicants must also complete a questionnaire.[[64]](#footnote-64)

Where the individual qualifies as a beneficiary, the **Commissioner for Revenue will determine in writing that s/he is to be granted special tax status** under the GRP rules.[[65]](#footnote-65) The procedure for making such a determination is not further specified in the legislation. However, non-binding Guidance Notes[[66]](#footnote-66) are available on the Commissioner for Revenue’s website and these specify that the written determination to grant special tax status is preceded by a **letter of intent** that is valid for 12 months. Further details from the Guidance Notes are provided in the relevant Sections of this report, in particular, points 2, 3 and 4 of Section II.

LN 167/2013 provides for the **cessation of the special tax status** in the circumstances stipulated by Rule 6(1). With effect from the appointed day, that is, the date on which the Commissioner for Revenue determines in writing that an individual is granted special tax status under the GRP rules,[[67]](#footnote-67) **a beneficiary will cease to benefit from special tax status if s/he**:

* Becomes a Maltese, EEA or Swiss national;
* At any time after the appointed day, does not hold a qualifying property, including in the case where the individual lets or sublets the property;
* Becomes a long-term resident;
* No longer has sickness insurance in respect of all risks normally covered for Maltese nationals for him/herself and his/her dependants;
* Stays in any other jurisdiction for more than 183 days in a calendar year (it is noted that this is not equivalent to a requirement to stay in Malta for 183 days - for further details see point 3 below).

Individuals who cease to possess special tax status for any of these reasons must notify the Commissioner for Revenue within four weeks from the date when they become aware of such event. Where the notification is not made within the time limit an administrative penalty of EUR 5,000 will apply.[[68]](#footnote-68) Individuals also cease to have special tax status if they notify the Commissioner for Revenue of their intention not to remain in possession of special tax status. The cessation has immediate effect from the relevant year of assessment.[[69]](#footnote-69) The special tax status will also cease where the individual breaches the Income Tax Act or of the Income Tax Management Act.[[70]](#footnote-70)

As with failure to satisfy the conditions under the MRVP, the competent Ministers[[71]](#footnote-71) can however jointly condone failure to satisfy the GRP conditions if the failure was due to unforeseen circumstances beyond the individual’s control, the individual notifies the Ministers of such failure and exercised his/her best efforts to remedy the failure.[[72]](#footnote-72) As explained for the MRVP above, this means that the competent Ministers can decide to depart from the conditions set out in the law.

LN 167/2013 **does not prescribe any legal remedies** in the case of refusal of special tax status.

To regulate their rights of entry and stay in Malta GRP beneficiaries may apply for a **uniform residence permit** under Regulation 12 of the Immigration Regulations. A uniform residence permit is an authorisation giving the right of residence within the territory of Malta to a third country national who is not dependent on an EU citizen.[[73]](#footnote-73) Further details are provided in point 3 below.

* 1. Competent authorities and non-public bodies

1. **MRVP**

The competent authorities for the MRVP are the **MRVA** and **Identity Malta**. These are government agencies established by the Malta Residence and Visa Agency (Establishment) Order and the Identity Malta Agency (Establishment) Order respectively as outlined in Section I above.

The MRVA’s role in the application process is described in point 1.1 above.

Applications must be submitted to the MRVA through approved agents or accredited persons.[[74]](#footnote-74) These are non-public bodies that have a significant role throughout the application process.

Regulation 12(1) of LN 288/2015 requires individuals to authorise in such form as Identity Malta may require, a **registered approved agent and/or registered accredited person** to act on his behalf in respect of all applications, correspondence, submissions, filings, declarations and notifications under the regulations. The said registered approved agent and/or registered accredited person must file these acts, as **only they can submit applications**. The MRVA does not have direct contact with the MRVP applicants – all contacts take place through these agents.[[75]](#footnote-75)

Regulation 2 of LN 288/2015 defines ‘approved agent and, or accredited person’ as a person who:

* Has a warrant to practice as an advocate, a legal procurator or an accountant;
* Is an appointed notary public;
* Is a member of the Malta Institute of Taxation, the Malta Institute of Accountants or the Institute of Management.

Legal persons having at least 75% of their shareholders, partners or other members who have the warrants mentioned above or are members of these institutes are also eligible to be an approved agent and/or accredited person.

To act for the purposes of LN 288/2015, approved agents and accredited persons must be registered. Regulation 2 of LN 288/2015 defines ‘registered approved agent and, or registered accredited person’ as ‘a person or entity who has satisfied the criteria set by Identity Malta and which in any case is already registered as an authorised registered mandatory with the Inland Revenue Department or is already registered as an approved agent and, or registered as an accredited person with Identity Malta under any other scheme or regulation’. This means that agents registered for the purposes of Malta’s Individual Investor Programme (IIP) through which third country nationals can obtain Maltese citizenship can also act on behalf of applicants under the MRVP. In fact, registration is made by filling in and delivering the requisite form to Identity Malta and is subject to terms and conditions determined by Identity Malta (that is competent for the IIP).[[76]](#footnote-76) Identity Malta must notify acceptance of the registration to the person requesting it.[[77]](#footnote-77)

The MRVA’s website states that the list of agents is available upon a request in writing.[[78]](#footnote-78) To date, the MRVA website is still temporary and contains very scarce information about the scheme and the agency, and a contact form: <https://www.maltaresidencevisaprogramme.com>. On the other hand, the list of approved agents for the IIP is available on Identity Malta’s website: <http://iip.gov.mt/agents-list/>. As of March 2018, there are 168 approved agents. Currently, these agents act also on behalf of MRVP applicants.

The terms and conditions for the purposes of the IIP are set out in the ‘Accredited Person – Code of Conduct’. The Code lists failure to report sub agents/sources as well as withdrawal from membership of professional associations as grounds for revocation of the licence.[[79]](#footnote-79) The Code of Conduct also sets the standards and labels that agents are bound by, particularly in terms of how the programme is referred to for marketing purposes, and stipulates the exact labelling of the different elements of the pecuniary contribution.[[80]](#footnote-80) There is no such Code for MRVA agents. However, since IIP agents can also act as MRVA agents, the same Code presumably applies. The MRVA plans to establish its own list of agents.[[81]](#footnote-81)

Approved agents and accredited persons can cancel their registration by submitting a request to Identity Malta.[[82]](#footnote-82) In addition, Identity Malta can terminate the appointment of a registered approved agent or accredited person if s/he repeatedly fails to carry out a function required under LN 288/2015.[[83]](#footnote-83)

Approved agents can be certified to promote the programme in specific regions, but they can submit applications from nationals of any country.[[84]](#footnote-84) One of the accredited agents, Discus Holding Limited, has published on its website the Certificate of Accreditation for MRVP issued by Identity Malta. The certificate attests that the company ‘is entrusted with the marketing and promotion of the Malta Residence Visa Programme in the following regions: The Republic of Turkey; The Russian Federation’.[[85]](#footnote-85)

In accordance with Regulation 12(9) of LN 288/2015, Identity Malta may, by notice issued from time to time, prescribe that a portion of the contribution paid by an applicant be paid to the approved agent and/or accredited person appointed by the applicant. This portion cannot exceed ten percent of the contribution payable. To date, there is no such notice in force and agents’ fees are determined solely on the basis of agreement between agents and their clients.[[86]](#footnote-86)

1. **GRP**

The competent authority for the GRP is the **Commissioner for Revenue**.

The Commissioner for Revenue’s role in the application process is described in point 1.1 above.

As with the MRVP, non-public bodies have a significant role throughout the application process as GRP applications must be submitted to the Commissioner for Revenue through authorised registered mandatories.[[87]](#footnote-87)

Rule 10(1) of LN 167/2013 requires individuals to authorise, an **authorised registered mandatory** to act on their behalf in respect of all applications, correspondence, submissions, filings, declarations and notifications under the GRP rules. As with registered approved agents and/or registered accredited persons under the MRVP, for the purposes of GRP applications it is authorised registered mandatories that must file these acts, as **only they can submit applications**. Similar to the MRVA, the Commissioner for Revenue, does not have direct contact with the GRP applicants – all contacts take place through these mandatories. Unless the Commissioner for Revenue specifically authorises this in writing, a person may not authorise more than one authorised mandatory.[[88]](#footnote-88)

Rule 2 of LN 167/2013 defines ‘authorised mandatory’ in very similar terms to the definition of ‘approved agent and, or accredited person’ under Regulation 2 of LN 288/2015 as a person who:

* Has a warrant to practice as an advocate, a legal procurator or an accountant;
* Is an appointed notary public;
* Is a member of the Institute of Financial Services Practitioners, Malta Institute of Taxation, the Malta Institute of Accountants or the Institute of Management.

Legal persons having at least 75% of their shareholders, partners or other members who have the warrants mentioned above or are members of these institutes are also eligible as authorised mandatories.

To act for the purposes of LN 167/2013, authorised mandatories must be registered with the Commissioner for Revenue by filling in and delivering a form to the Commissioner for Revenue.[[89]](#footnote-89) Registration is subject to terms and conditions determined by the Commissioner for Revenue and acceptance of the registration must be notified by the Commissioner for Revenue to the person requesting registration.[[90]](#footnote-90)

Authorised mandatories can cancel their registration by submitting a request to the Commissioner for Revenue.[[91]](#footnote-91) In addition, the Commissioner for Revenue can terminate the appointment of a registered authorised mandatory if s/he repeatedly (defined as ‘more than two failures’) fails to carry out a function required under LN 167/2013.[[92]](#footnote-92)

As explained above for the MRVP, agents registered for the purposes of Malta’s Individual Investor Programme can also act on behalf of applicants under the MRVP. Given the similar definitions and legal requirements these same agents are also eligible for registration as authorised mandatories for the purposes of the GRP.

* 1. Monitoring of the proceedings and the authorities involved

Neither LN 167/2013 nor LN 288/2015 set out any cap for the GRP and MRVP schemes nor do they establish a system of scrutiny by Parliament or other bodies. They do however provide for some form of monitoring by the Commissioner for Revenue and the MRVA themselves through the right of these authorities to request information in terms of Rule 7 of LN 167/2013 and Regulation 10 of LN 288/2015 respectively.

The MRVA can require the individual or the relevant registered approved agent and/or registered accredited person to produce, within a specified time limit, information and documents it considers necessary for the purpose of ascertaining an individual’s entitlement to rights acquired under LN 288/2015 and ensuring the proper application of LN 288/2015.[[93]](#footnote-93) The Commissioner for Revenue is granted exactly the same power to request information from the relevant authorised registered mandatory.[[94]](#footnote-94)

The MRVA can also exchange information it has concerning an applicant, a beneficiary, or a person that has long-term residence status in terms of the Status of Long-term Residents (Third Country Nationals) Regulations. Such information may be exchanged only for the purposes of LN 288/2015 and for the purposes of the long-term residence status in terms of the Status of Long-term Residents (Third Country Nationals) Regulations.[[95]](#footnote-95) The Commissioner for Revenue is granted the same power for the purposes of the GRP.[[96]](#footnote-96)

LN 288/2015 grants the MRVA absolute discretion – any decision, determination or verification falling within its competence is to ‘be made at that agency’s absolute discretion’, is final and not subject to appeal.[[97]](#footnote-97) No similar provision is made with respect to the Commissioner for Revenue.

In any case, as with all public bodies, the MRVA is subject to the scrutiny of any Member of Parliament, the National Audit Office and the Public Accounts Committee.[[98]](#footnote-98) The Commissioner for Revenue would also be subject to such scrutiny.

* 1. Information on applications

Neither LN 167/2013 nor LN 288/2015 contain any obligation to disclose information about successful applicants nor is this information published in practice.

The MRVP was only launched in October 2015 and therefore the 2012 to 2014 reference dates are not relevant in the Maltese context. No statistical data is publicly available for 2015, 2016, and 2017 and the table below is completed on the basis of information obtained directly from the MRVA.[[99]](#footnote-99)

As the programme started in late 2015, there were no applications in that calendar year. In addition to the data presented in the table below, it should be noted that there have been an additional 82 applications under the MRVP in January 2018. All of these new applications are pending review as of March 2018. The stakeholder consultation with an MRVA representative confirmed that the most common reason for rejected applications was failed due diligence.[[100]](#footnote-100)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **Total no. of requests for residence** | **No. of requests for residence by investors** | **No. of successful applications** | **No. of turned down applications** | **Sources** |
| 2012 | N/A | N/A | N/A | N/A | N/A |
| 2013 | N/A | N/A | N/A | N/A | N/A |
| 2014 | N/A | N/A | N/A | N/A | N/A |
| 2015 | N/A | 0 | 0 | 0 | MRVA |
| 2016 | N/A | 68 | 29 | 2 | MRVA |
| 2017 | N/A | 347 (263 of which are still under consideration) | 83 | 1 | MRVA |

The GRP does not involve applications for residence. GRP beneficiaries apply for entry and stay in Malta either through the MRVP or by requesting residence under Regulation 12 of the Immigration Regulations. Disaggregated data are not available.

* 1. Information on applications by family Members

1. **MRVP**

LN 288/2015 distinguishes between main applicants and dependants.

A **broad range of family members qualify as dependants** within the meaning of LN 288/2015:[[101]](#footnote-101)

* The main applicant’s spouse in a monogamous marriage or in another relationship having the same or similar status to marriage, unless the Minister authorises otherwise on a case-by-case basis.
* A child, including an adopted child of the main applicant or of his/her spouse, who at the time of application is:
* under 18 years of age;
* not yet born or not yet adopted, and is born or adopted after the ‘appointed day’[[102]](#footnote-102), that is, the date on which the MRVA determines in writing that a beneficiary is issued a certificate under LN 288/2015;
* over 18 years of age, not married, and who proves to the Minister’s satisfaction that s/he is not economically active[[103]](#footnote-103) and is principally dependant on the main applicant.
* A parent or grandparent of the main applicant of his/her spouse who proves to the Minister’s satisfaction that at the time of application s/he is not economically active and is principally dependant on the main applicant.
* An adult child of the main applicant or of his/her spouse who has been certified by a recognised medical professional/authority as having a disability in terms of the Equal Opportunities (Persons with Disability) Act.[[104]](#footnote-104)

In any case, the **person must not be a beneficiary under** the Residents Scheme Regulations, the High Net Worth Individuals – EU/EEA/Swiss Nationals Rules, the Malta Retirement Programme Rules, the Residence Programme Rules, the Qualifying Employment in Innovation and Creativity Rules or the Highly Qualified Persons Rule and must reside with the beneficiary in the qualifying property.

The beneficiary, as represented by a registered approved agent and/or accredited person may also apply to the MRVA for a residence certificate for any dependant child, including an adopted child, of the main applicant or of his/her spouse, who at the time of application is not yet born or not yet adopted and is born or adopted after the date on which the MRVA determines in writing that a residence certificate is to be issued. This is subject to a successful due diligence check.[[105]](#footnote-105)

Similarly, the beneficiary as represented by a registered approved agent and/or accredited person can apply to the MRVA to include on the main beneficiary certificate, against a **non-refundable supplementary administration fee of EUR 5,000 and subject to a successful due diligence check**:

* The spouse or minor (under 18 years of age) child of a dependant;[[106]](#footnote-106)
* The beneficiary’s spouse or his/her spouse’s approved child who would have been previously accepted as a dependant in the residence certificate;[[107]](#footnote-107)
* Any dependant who, after the date on which the MRVA determines in writing that a residence certificate is to be issued, is born to, or adopted by an approved child or his/her spouse, where such spouse is already a beneficiary under LN 288/2015.[[108]](#footnote-108)

The direct dependants of an approved dependant child of the main applicant or spouse, who gets married, will not derive residency rights under LN 288/2015 automatically. The MRVA will consider residency under the MRVP against **a non-refundable supplementary administration fee of EUR 5,000 per dependant and subject to a successful due diligence check**.[[109]](#footnote-109)

Regulation 6(4) of LN 288/2015 requires applicants to provide **an affidavit of support for each dependant over 18 years of age**. In addition, both parents must sign the forms on behalf of the dependant. Where one parent has sole custody of a dependant, or another person has legal guardianship of a dependant, the appropriate legal documentation must be provided to demonstrate that a court of law or other relevant authority awarded sole custody or guardianship.[[110]](#footnote-110)

**Individuals will be deemed to be approved dependants as included on the residence certificate only if** from the date on which the MRVA determines in writing that a residence certificate is to be issued and throughout the entire duration and persistence of the certificate, they **prove to the MRVA’s satisfaction that**:

* They are third country nationals and are not Maltese, EEA or Swiss nationals;
* They do not benefit from the Residence Scheme Regulations, the High Net Worth Individuals – EU/EEA/Swiss Nationals Rules, the Malta Retirement Programme Rules, the Residence Programme Rules, the Qualifying Employment in Innovation and Creativity Rules or the Highly Qualified Persons Rules;
* They have sickness insurance in respect of all risks normally covered for Maltese nationals across the whole Schengen Area and states associated with the EU’s Schengen activities.[[111]](#footnote-111)

The MRVP was only launched in 2015 and therefore the 2012 to 2014 reference dates are not relevant in the Maltese context. No statistical data is publicly available for 2015, 2016, and 2017 and the table below is completed on the basis of information obtained directly from the MRVA.[[112]](#footnote-112)

|  |  |  |
| --- | --- | --- |
| **Year** | **Number/Percentage of successful applications for residence permits for family members** | **Source** |
| 2012 | N/A | N/A |
| 2013 | N/A | N/A |
| 2014 | N/A | N/A |
| 2015 | 0 | MRVA |
| 2016 | 101 | MRVA |
| 2017 | 284 | MRVA |

1. **GRP**

LN 167/2013 distinguishes between main beneficiaries and dependants.

Similar to the MRVP, a **broad range of family members qualify as dependants** within the meaning of LN 167/2013. While there are some overlaps between the persons qualifying as dependants for the purposes of the MRVP and the GRP, the definitions are not exactly the same. Rule 2 of LN 167/2013 defines the following persons as dependants:

* The beneficiary’s spouse or person with whom the beneficiary is in a stable and durable relationship;
* Minor children, including adopted minor children and children who are in the care and custody of the beneficiary or of the beneficiary’s spouse or person with whom s/he is in a stable and durable relationship;
* Children under 25 years of age, including adopted children and children who are in the care and custody of the beneficiary or of the beneficiary’s spouse or person with whom s/he is in a stable and durable relationship, provided that such children are not economically active;[[113]](#footnote-113)
* Adult children including adopted adult children and children who are in the care and custody of the beneficiary or of the beneficiary’s spouse or person with whom s/he is in a stable and durable relationship, who because of serious illness or disability are unable to maintain themselves;
* Dependant brothers, sisters and direct relatives in the ascending line of the beneficiary or of the person with whom the beneficiary is in a stable and durable relationship.

The **dependant must reside with the beneficiary in the qualifying property**.[[114]](#footnote-114)

1. Type of investment[[115]](#footnote-115)

|  |  |  |  |
| --- | --- | --- | --- |
| **Type of investment required** | **Applicability of financial threshold** | **Procedure to verify the fulfilment of the investment criterion** | **Competent authorities and non-public bodies** |
| **MRVP** | | | |
| **Payment of the** **contribution**, that is, EUR 30,000, and, where applicable, EUR 5,000 per parent or grandparent of the main applicant or of the spouse (Regulations 2 and 5(3) of LN 288/2015). The contribution is paid by bank transfer to MRVA’s bank account.[[116]](#footnote-116)  And  **Purchase or lease of qualifying property (either a qualifying owned property or a qualifying rented property)**:  - Qualifying owned property is an immovable property situated in Malta purchased for not less than EUR 320,000 **or** an immovable property situated in the south of Malta[[117]](#footnote-117) or in Gozo for not less than EUR 270,000. Immovable property purchased before the entry into force of LN 288/2015 (25 August 2015) for lower amounts is considered to be a ‘qualifying owned property’ if its value, as declared on the date of application by the main applicant is not less than these amounts as supported by a separate and independent architect valuation including architect’s plan delivered to the MVRA upon application. The MRVA Executive Chairman must authorise an MRVA Officer and/or third party, architect or surveyor to have full and free access to the property to the extent that this access is likely to assist him in determining the property’s value (Regulation 2 of LN 288/2015).  - Qualifying rented property is property taken on lease for a rent of not less than EUR 12,000 per annum for a property situated in Malta **or** not less than EUR 10,000 per annum for a property situated in the south of Malta or in Gozo (Regulations 2 and 5(3) of LN 288/2015).  And  **Qualifying investment**, of an initial value of EUR 250,000 (Regulations 2 and 5(3) of LN 288/2015). A qualifying investment consists of Malta Government Bonds in the amount of EUR 250,000 (market value), purchased from a suitable stockbroker. Stock brokers/banking institutions handle the procedure for the purchase of the qualifying investment.[[118]](#footnote-118) | The financial thresholds are set out in the first column of this table.  The **exact amount of money required to obtain the residence certificate** **depends on the specific circumstances** e.g. whether the application includes dependants or not and whether the qualifying property is owned or rented as well as the location of this property. By way of example, in the case of an application by a main applicant with a qualifying owned property in Malta and no dependants the total disbursement required would amount to EUR 600,000 (EUR 30,000 (contribution) + EUR 320,000 (property) + EUR 250,000 (investment)).  The applicant must also pay the **approved agent’s fees**. These are determined by agreement between the agent and the client (applicant). It is therefore not possible to indicate the amount of these fees.[[119]](#footnote-119) | **After the MRVA has issued the written determination to issue a residence certificate and before the certificate itself is issued,** the main applicant must:  - pay the contribution less the non-refundable administrative fee (see point 1.1 of Section II above – this fee is EUR 5,500 (of the EUR 30,000 contribution) that is paid up front when the application is submitted) and  - fulfill the property and investment criteria.  The applicant must present a **certificate proving the investment** and the **document of title** to a qualifying property.  The qualifying property and qualifying investment must be held for a **minimum of five years from the date of issuance of the residence certificate** (Regulation 8(1)(c) and (d) of LN 288/2015).  The law does not provide for checks. There is only a general statement that once the certificate is issued it is **monitored** annually for the first five years and every five years thereafter (Regulation 4(a) of LN 288/2015). In practice, this is implemented though an **official compliance form** whereby applicants show that they continue to satisfy the MRVP requirements.[[120]](#footnote-120)  The approved agent is responsible for presenting the official compliance form - Form MRVP5 - to the MRVA every year from the date of the issuance of the residence certificate. This Form must be filled in and signed by the beneficiary. The agent’s responsibility is to ensure that the Form is provided to the MRVA on time and together with all the supporting documentation. [[121]](#footnote-121)  It is submitted to the MRVA on an annual basis for the first five years and every five years thereafter. With respect to the qualifying investment, a confirmation letter from the stockbroker and/or the Malta Stock Exchange certificate must be submitted as evidence that the main applicant has retained the investment for five years. As regards the qualifying property, the agent must submit the evidence that the lease agreement has been renewed together with proof of payment of rent signed by the landlord. In the case of purchase, the applicant must declare that s/he still holds the property. The MRVA reserves the right to run checks on site to verify the information.[[122]](#footnote-122) | The competent authorities and non-public bodies involved are described in points 1.1, 1.2 and 1.3 of Section II above. A registered approved agent and/or registered accredited person must represent the main applicant. The MRVA must check that all requirements are satisfied and determine whether or not a certificate can be issued. |
| **GRP** | | | |
| **Purchase or lease of qualifying property (either a qualifying owned property or a qualifying rented property)**:  - Qualifying owned property is an immovable property situated in Malta purchased for not less than EUR 275,000 **or** an immovable property situated in the south of Malta[[123]](#footnote-123) or in Gozo for not less than EUR 220,000. Immovable property purchased before the entry into force of LN 167/2013 (1 July 2013) for lower amounts is considered to be a ‘qualifying owned property’ if its value, as declared on the date of application by the applicant is not less than these amounts as supported by a separate and independent architect valuation including architect’s plan delivered to the Commissioner for Revenue upon application. The Commissioner for Revenue, any officer authorised by him in writing, architect or surveyor will have full and free access to the property to the extent that this access is likely to assist him in determining the property’s value (Rule 2 of LN 167/2013).  - Qualifying rented property is property taken on lease for a rent of not less than EUR 9,600 per annum for a property situated in Malta **or** not less than EUR 8,750 per annum for a property situated in the south of Malta or in Gozo (Rule 2 of LN 167/2013). Rule 2 of LN 167/2013 defines ‘lease’ to include sub-lease. | The financial thresholds for the qualifying property are set out in the first column of this table. The thresholds for the qualifying property are lower than those under the MRVP.  The applicant must also pay a **non-refundable administrative fee** of EUR 6,000 (if the qualifying property is situated in Malta) or EUR 5,500 (if the qualifying property is a qualifying owned property situated in the south of Malta or Gozo) (Rule 3(1) of LN 167/2013).  **There is no contribution requirement nor is there an investment requirement similar to that required by the MRVP.**  There are **no additional costs for dependants**.  The **exact amount of money required to obtain special tax status under the GRP** **depends on the specific circumstances** namely, where the qualifying property is situated and whether it is a qualifying owned property or a qualifying rented property. By way of example, in the case of an application by a beneficiary with a qualifying owned property in Malta, the total disbursement required would amount to EUR 281,000 (EUR 275,000 (property) + EUR 6,000 (administrative fee)).  The applicant must also pay the **authorised mandatory’s fees**. These are determined by agreement between the mandatory and the client. | The procedure for verification is not specified in LN 167/2013. The GRP Guidance Notes[[124]](#footnote-124) specify that fulfilment of the requirement to hold a qualifying property is proved through a **final deed of purchase or a lease agreement**. Applicants must also declare that they occupy the qualifying property as their principal place of residence worldwide.  The Guidance Notes also state that GRP applicants need not be the owner or lessee of a qualifying property at the time of application and may submit the certified final deed or lease agreement, as the case may be, at a later stage. However:   * in order for an applicant to benefit from the reduced administrative fee, in the case of an owned immovable property situated in the south of Malta, the certified final deed of purchase needs to be submitted at application stage; * **special tax status will not be confirmed unless and until the certified final deed or lease agreement, as the case may be, is submitted**.[[125]](#footnote-125)   Where the applicant would have already acquired or rented a qualifying property by the application date, an authenticated copy of the contract providing evidence of such acquisition and title or lease, as the case may be, needs to be attached to the application.[[126]](#footnote-126) | The competent authorities and non-public bodies involved are described in points 1.1, 1.2 and 1.3 of Section II above. An authorised registered mandatory must represent the applicant. The Commissioner for Revenue must check that all requirements are satisfied and determine whether or not special tax status can be granted. |

1. Residence Phase

|  |  |  |  |
| --- | --- | --- | --- |
| **Residence permit** | **Procedure** | **Competent authorities and non-public bodies** | **Renewal of the residence permit** |
| **MRVP** | | | |
| Certificates issued under LN 288/2015 are deemed to constitute a **residence permit** issued in terms of Article 7 of the Immigration Act (Regulation 3 of LN 288/2015).  Article 2 of the Immigration Act defines ‘residence permit’ as a permit issued under its Article 7(1),  In accordance with Article 7(1) of the Immigration Act a residence permit is issued by the Minister responsible for immigration to any person who applies for retirement, settlement or indefinite stay in Malta. According to Article 7(2) of the Immigration Act, a residence permit confers the right to land and remain **permanently or indefinitely** in Malta, that is, it is not time bound.  The application for the e-Residence Card entails enrolment of biometric data and hence all applicants **must have entered Malta at least once** prior to becoming MRVP beneficiaries. | The national law does not foresee checks on the fulfilment of the residence criterion beyond the requirement to hold property in Malta for at least five years from the issuance of the certificate. This would presumably be one of the factors checked as part of the annual monitoring in the first five years and every five years thereafter (Regulation 4(a) of LN 288/2015).  Title to a qualifying property must be presented following the MRVA’s written determination to issue a residence certificate and prior to the actual issuance of the certificate. However, there is nothing requiring the continuous physical presence of the investor in Malta. The investor needs to be physically present at least once to enrol biometric data for an e-Residence Card. | The **processing of applications** is handled by MRVA. The competent authorities and non-public bodies involved are described in Section I and points 1.1, 1.2 and 1.3 of Section II above. The competent authority for the **issuance** of Residence Cards is Identity Malta. The applicant is represented through the approved agent in the application process for a Residence Card. | The certificate (residence permit) granted under the MRVP has **no expiry date**. The residence permit is permanent, but the Residence Card is **renewed every five years**. To renew the Residence Card, each applicant over the age of 14 needs to have their biometric data taken in Malta. Each applicant is subject to a Residence Card renewal fee of EUR 27.50.[[127]](#footnote-127)  Renewals are handled by approved agents or accredited persons. To renew a residence card after five years, the applicant is bound to submit annual compliance forms (five forms, one for each year since the residence certificate was issued).[[128]](#footnote-128) For further information see point 2 above.  After the first five years the official compliance form is submitted every five years (instead of each year). Additionally, after five years, beneficiaries are no longer bound to retain the qualifying investment, qualifying property or meet the capital income requirement. Beneficiaries need to provide Identity Malta with a residential address in Malta.[[129]](#footnote-129) |
| **GRP** | | | |
| LN 167/2013 makes no mention of a residence permit. The ‘rights acquired under this law’ are defined as ‘the right to pay tax at the rate of tax contemplated in article 56(23) of the Act and these rules’ (Rule 2 of LN 167/2013).  One of the requirements the beneficiary must satisfy for the purposes of the GRP is to hold a **‘qualifying property holding’** (Rule 4(c) of LN 167/2013). Rule 2 of LN 167/2013 defines ‘qualifying property holding’ as a holding which arises where the beneficiary either owns qualifying owned property or rents qualifying owned property as lessee **and** in either case, **occupies such property as his primary residence**. The persons who reside in the qualifying property must not be persons other than the beneficiary and his/her dependants or household staff. In addition, the Commissioner for Revenue must have been notified that the dependants or household staff will be residing in the property.  Rule 2 of LN 167/2013 defines **‘primary residence’** as 'the dwelling house in which an individual habitually resides in as his principal place of abode worldwide’.  GRP beneficiaries may obtain a residence permit either through MRVP (information provided above) or by applying for a uniform residence permit. | The requirement for a ‘qualifying property holding’ as explained in the previous column, presupposes that GRP beneficiaries have a right to reside in Malta.  There is nothing in LN 167/2013 that requires a minimum stay or continuous physical presence of the beneficiary in Malta.[[130]](#footnote-130) Rule 6(1)(f) of LN 167/2013 states that If the beneficiary stays ‘in any other jurisdiction’ for more than 183 days in a calendar year the special tax status granted under the GRP ceases. This is not equivalent to a requirement to be present in Malta for 183 days but only not to be in any other single jurisdiction for more than 183 days.[[131]](#footnote-131)  If the GRP beneficiary obtains residence rights through the MRVP, the information provided above applies.  If the GRP beneficiary applies for a uniform residence permit, s/he needs to be physically present in Malta to enrol biometric data for the Residence Card as explained for the MRVP above.  The national law does not foresee checks on the physical presence of the applicant, but ‘qualifying property holding’ and ‘primary residence’ should be maintained. (LN 167/2013). | The Commissioner for Revenue is the competent authority for the GRP.  Should the GRP beneficiary eventually apply for a residence certificate under the MRVP, the authorities mentioned above for the MRVP would be competent.  If GRP beneficiaries apply for a uniform residence permit, the competent authority is Identity Malta. | The special tax status granted by the GRP rules has no expiry date. There is no residence permit attached to the GRP. Should the GRP beneficiary eventually apply for a residence certificate under the MRVP the information provided above applies.  If GRP applicants opt for a uniform residence permit, the **first permit is valid for one year**. Permits can be renewed for two years following their first year of legal residence in Malta and upon confirmation of the latest tax payments by the Inland Revenue Department.[[132]](#footnote-132) Applications are made on the designated form and require a payment of a non-refundable administrative fee of EUR 27.50.[[133]](#footnote-133) Identity Malta issues a residence permit, which can be renewed for two years following the applicant’s first year of legal residence in Malta and upon confirmation of the latest tax payments by the Inland Revenue Department. [[134]](#footnote-134) |

1. Due diligence criteria and security considerations

|  |  |  |  |
| --- | --- | --- | --- |
| **Due diligence and security considerations** | **Procedure to verify due diligence and security considerations** | **Competent authorities and non-public bodies** | **Ex-post checks** |
| **MRVP** | | | |
| Regulation 7 of LN 288/2015 provides the eligibility criteria for MRVP applications. In addition to the qualifications and general requirements set out in Regulation 6 (see point 1.1 of Section II above), **the main applicant and any of his/her dependants are subject to a number of checks**:   * A proper background verification of the main applicant and his dependants over 14 years of age; * A police certificate in relation to the main applicant and any dependant over 14 years of age, issued by the competent authorities in the country of origin and in the country or countries of residence where the person has resided for more than six months during the last ten years, or in exceptional cases, where it is proved to the MRVA’s satisfaction that such a certificate is not obtainable, a sworn affidavit by the main applicant (on his own behalf or on behalf of each minor dependant over 14 years of age) and any adult dependant on his own behalf, declaring a clean criminal record; in certain circumstances the MRVA may accept that such certificates are submitted at a later date but in any case before the application is approved in principle; * Verification that the main applicant and/or any dependants are not individuals indicted before or who appeared at any time before an International Criminal Court; * Verification that the main applicant and/or any dependants are not listed with INTERPOL at the time of application. Checks in other EU or international databases are not required by LN 288/2015; * Verification that the main applicant and/or any dependant is not, or may not be a potential threat to national security, public policy or public health; * The main applicant and/or dependants must not at any time have had pending charges or have been found guilty of crimes related to terrorism, money laundering, funding of terrorism, crimes against humanity, war crimes, or crimes that infringe upon protection of human rights and fundamental freedoms; * The main applicant and/or dependants must not have been found guilty or have charges against them regarding any crimes that disturb the good order of the family including, without limitation, paedophilia, defilement of minors, rape, violent indecent assault, inducing minors to prostitution and abduction; * The main applicant and/or dependants must not have been found guilty or be in the process of being interrogated and suspected, or have criminal charges brought against them for any crime, other than an involuntary offence, punishable with more than two years’ imprisonment. The main applicant must attach to the application a sworn declaration before a commissioner for oaths, lawyer or notary that the information provided is true and correct;   Required documents must be originals or certified copies and the persons certifying a document must provide their full name, capacity in which they are acting, residential or business address, telephone number and email address,  The application must not be deemed to be against public interest. Regulation 2 of LN 288/2015 defines public interest to include the interests of public safety, the protection of public order, national security, territorial integrity, public health or morals.  The checks described above are implemented through a **four-tier due diligence process**:[[135]](#footnote-135)  (i) First Tier: the agent conducts an initial know-your-client check on the applicants and provides a declaration that there is no prior evidence that the applicants are not fit and proper persons to apply for the MRVP  (ii) Second Tier: clearance by the police authorities through a number of databases including INTERPOL and EUROPOL who then send a report to the MRVA stating whether or not there are any issues with the applicant.  (iii) Third Tier: upon receiving police clearance, all the forms and documentation provided as part of the application pack are assessed by the MRVA for completeness and correctness, including required document certification and corroboration of the information provided. In addition, the MRVA conducts an online due diligence check using third party databases.  (iv) Fourth Tier: an outsourced due diligence check by third party service providers independently appointed by the MRVA to prepare a background verification report with respect to the main applicant and any dependant.  A **final report assessing the possible risks and based on the findings of the previous stages** is complied. This report is then presented to the Advisory Board for the final decision.[[136]](#footnote-136)  LN 288/2015 does not expressly require prior checks on the **origin of the money** invested. However, the non-public bodies involved in the acquisition of stocks and of immovable property are obliged entities under the Anti-Money Laundering Directive and are therefore bound by its requirements. The source of money in the case of the qualifying investment is verified by the respective stockbroker and/or financial institution from whom the said investment is purchased. The source of money in the case of property leased or purchased is verified by the respective landlord and/or real estate agent from whom the property is leased or purchased.[[137]](#footnote-137)  Applicants are required to transfer the contribution from a previously declared bank account held in their name to the bank account of the MRVA. Documentary evidence of this transfer, including any intermediate steps such as SWIFT transfer records, must be provided by the applicants. The provisions of the Anti-Money Laundering Directive are applied in verifying the source of money of the contribution. In the case of the initial contribution – the non-refundable administrative fee of EUR 5,500 (see point 1.1. of Section II above), MRVA accepts this from either the main applicant or from the agent through a bank transfer. The agent must have received this initial payment from the main applicant. For the remaining part of the contribution (EUR 24,500 or more in steps of EUR 5,000 if dependants are included in the application), the MRVA requires a full payment trail if the payment is not done directly from the main applicant’s declared bank account to MRVA’s bank account. MRVA’s bankers are authorised credit institutions bound by all EU regulations. In Form MRVP2, the main applicant is required to declare the account from which the funds will be transferred. Checks are in place to ensure that this account is used and if not used partially or fully, a full explanation, accompanied by copies of SWIFT payment must be presented to the MRVA. In the case of missing information, the funds are returned to the remitter.[[138]](#footnote-138) | Due diligence screening is first conducted by the approved agents or accredited persons. Printed reports regarding the main applicant and any dependants are forwarded to the MRVA together with the application. Approved agents or accredited persons are required to keep evidence of investigations.  The second stage of due diligence checks is performed by the MRVA, after the receipt of the application and the payment of the initial fee of EUR 5,500. MRVA checks are carried out over the three to four months following the submission of the application.[[139]](#footnote-139)  Requirements for the conferral of the residence certificate as stipulated in Regulation 6 of LN 288/2015 (see point 1.1 of Section II above) include: a) due diligence on the applicant and any dependants over the age of 12; b) police certificate of a clean criminal record in Malta and any other country where the applicant has lived for more than six months in the last ten years; c) no indictment before the International Criminal Court; d) that the applicant or any of his or her dependants are not listed with INTERPOL; e) that the applicant does not pose a threat to public security or health; f) that they have not been charged with or declared guilty of terrorism, money laundering, war crimes, cries against humanity, funding of terrorism, or crimes that infringe human rights and freedoms; g) absence of crimes such as paedophilia, defilement of minors, rape, violent indecent assault, inducing to prostitution, abduction; and h) absence of charges punishable with more than two years imprisonment. Existence of any of these constitutes grounds for refusal. | The competent authorities and non-public bodies involved are described in points 1.1, 1.2 and 1.3 of Section II above. The MRVA and approved agents are involved in the due diligence checks as described in the first column of this table. In addition, the MRVA engages the services of internationally recognized due diligence companies (third party service providers).[[140]](#footnote-140) | The residence certificate is monitored annually for the first five years from its issue and every five years thereafter; it is *ipso jure* withdrawn as soon as the beneficiary infringes any of the provisions of LN 288/2015 (Regulation 4(a) of LN 288/2015). For further information see point 2 above.  To date no cases of misuse have been reported. |
| **GRP** | | | |
| Rule 4 of LN 167/2013 sets out the requirements that the beneficiary must fulfil but does not stipulate how fulfilment of these requirement is proved or checked.  Authorised registered mandatories need to carry out certain checks on the applicant as part of **know-your-client** requirements aimed at properly identifying their clients and ascertaining that the information relevant to the application is correct.[[141]](#footnote-141) These checks would go towards the proof required by Rule 4(h) of LN 167/2013 that the beneficiary is ‘a fit and proper person’. In fact, Part 6 of the GRP application form[[142]](#footnote-142) contains a declaration to be made by the authorised registered mandatory whereby the mandatory must ‘having taken all reasonable and necessary measures, …declare that, to the best of my knowledge, the applicant:’. The application form then lists the requirements in line with Rule 4 of LN 167/2013. The mandatory must also declare that the information in the application is to the best of his knowledge ‘true, complete and correct’ and that the applicant is aware of the relevant rules and obligations.  A number of documents must be attached to the application form to prove fulfilment of the Rule 4 requirements including a **conduct certificate** issued not earlier than six months prior to the date of submission of the application by the country in which the applicant was last resident. If police authorities of the individual’s last country of residence do not issue any conduct certificates, **character references** from any three of the following must be submitted: the individual’s bankers, lawyers, doctors, employers, accounts or ‘other person of similar standing’.[[143]](#footnote-143)  Presumably, as with the MRVP, the **source of money** used for the lease or purchase of the qualifying property is verified by the respective landlord and/or real estate agent from whom the property is leased or purchased.  Rule 5(4)(b) of LN 167/2013 requires the authorised registered mandatory to:  (i)Enquire and obtain information from the relevant beneficiary as to whether s/he or any of his/her dependants fall under the definition of ‘long-term resident’ as at the 31 December of each year from the year of the date on which the Commissioner for Revenue determines in writing than in individual is granted special tax status under the GRP onwards **and**  (ii) Notify the Commissioner for Revenue of any individual that is a beneficiary or dependant that falls under the definition of ‘long-term resident’ by not later than 30 April following the 31 December of the year mentioned above. Where the authorised registered mandatory is not able to obtain this information, he must notify the Commissioner for Revenue by the 30 April date and provide proof that at least two attempts at enquiry were made. Where the notifications are not made within the time specified, the mandatory will be liable to an administrative penalty of EUR 10,000. | Due diligence screening is **first conducted by the authorised mandatories** in the context of preparing and submitting the application form.  Once the **Commissioner for Revenue** receives the application form and accompanying documentation, the completed questionnaire in connection with the GRP[[144]](#footnote-144) and the non-refundable administrative fee, it is **checked for completeness** and an acknowledgment of receipt is sent to the authorised mandatory. If information or documents are missing, these omissions must be rectified before proceeding further. Once the application is considered to be complete, the Commissioner for Revenue carries out a **due diligence process** and the mandatory is notified of the outcome.  If the outcome is positive, a **face-to-face meeting** with the applicant and the mandatory is scheduled, following which, a **letter of intent** is issued along with a notice of primary residence to be completed and signed by the applicant and submitted in original.  The letter of intent is valid for 12 months from the date of issue, within which time the certified lease agreement or final deed of purchase (see information provided in point 2 above), must be submitted in order for the **confirmation letter** to be issued.  If the due diligence outcome is negative the mandatory is notified of the main issues and the mandatory and applicant may provide an explanation. It is in the Commissioner’s discretion whether to refuse or proceed with the application process.[[145]](#footnote-145) | The competent authorities and non-public bodies involved are the Commissioner for Revenue and the authorised registered mandatories as described in points 1.1, 1.2 and 1.3 of Section II above. | Rule 8 of LN 167/2013 provides for situations of abuse of rights. If an individual benefits under the GRP rules when s/he was not so entitled the Commissioner for Revenue may issue an assessment in terms of Article 31 of the Income Tax Management Act dealing with the assessment of chargeable income, the tax chargeable thereon and the tax payable by or repayable to the person in question for the relevant assessment year.  In addition to the income tax return required by Article 10 of the Income Tax Management Act, GRP beneficiaries must also include such form as the Commissioner may require (Rule 9 of LN 167/2013).  To date no cases of misuse have been reported. |

1. RIGHTS GRANTED BY THE PERMITS
2. Rights granted to investors
3. **MRVP**

As stated in point 3 of Section II above, residence certificates issued by the MRVA under LN 288/2015 are deemed to constitute a residence permit issued in terms of Article 7 of the Immigration Act.[[146]](#footnote-146) It entitles the beneficiary and his or her registered dependants **to reside, settle or stay indefinitely in Malta**, provided that:

* The certificate must be monitored annually for the first five years from its issue, and every five years thereafter. It is considered *ipso jure* withdrawn as soon as the beneficiary infringes any provisions of LN 288/2015.
* The **certificate does not by itself entitle the holder to any other rights mentioned in the Immigration Regulations**.[[147]](#footnote-147)

The certificate also allows the beneficiary and his/her spouse to **apply for an employment licence** (work permit) in Malta and his or her dependants to gain free **access to educational institutions** in Malta but only once the beneficiary obtains the employment licence via regular channels.[[148]](#footnote-148) Dependants other than the spouse are not allowed to take up employment as they would no longer be considered ‘economically inactive’ under the scope of LN 288/2015. By taking up employment they would no longer benefit from the MRVP status.[[149]](#footnote-149)

An employment licence is issued by Jobsplus[[150]](#footnote-150) following an application by the prospective employer. All non-EU nationals who wish to take up employment in Malta must obtain this licence. Licences are non-transferrable and applicants are not allowed to take up a different job. To receive the licence, the beneficiary must have an employer who can prove that the vacancy cannot be filled by a candidate from the EU, EEA or Switzerland.[[151]](#footnote-151) Only an MRVP beneficiary who has successfully obtained an employment licence and is therefore within the scope of Article 3(1)(b) of the Single Permit Directive[[152]](#footnote-152) would be able to benefit from the right to equal treatment stipulated in Article 12 of the same Directive. These rights include: equal treatment regarding working conditions, freedom of association and affiliation and membership of an organisation representing workers or employers, education and vocational training, recognition of diplomas and other professional certificates in accordance with the relevant national procedure, branches of social security in line with Regulation (EC) No 883/2004, tax benefits (for tax residents), access to public goods, advice services offered by employment offices.[[153]](#footnote-153)

While currently the beneficiary can apply for an employment licence, it is noted that Regulation 12(3) of the Immigration Regulations specifies that third country nationals cannot apply for a licence or a uniform residence permit for employment purposes, nor may they apply to change the nature of the residence permit into one empowering them to seek or take up employment, while they are already in Malta, save as the Minister may direct in exceptional circumstances. Regulation 12(3) is not yet in force and it is not specified when it will enter into force. If and when it enters into force, third country nationals will no longer be able to obtain an employment licence while maintaining their MRVP status, except in exceptional circumstances that are not further defined in legislation.

While the Identity Malta website claims that the certificate also allows the beneficiary to **freely move around the countries in the Schengen Area** without a visa,[[154]](#footnote-154) this information is misleading as movement is limited by the Convention implementing the Schengen Agreement to 90 days in any 180-day period and subject to conditions.[[155]](#footnote-155)

1. **GRP**

Rule 2 of LN 167/2013 defines **‘rights acquired under this law’** as ‘the right to pay tax at the rate of tax contemplated in Article 56(23) of the [Income Tax] Act and these rules’. Article 56(23) sets out the tax rate of 15 percent for individuals who were granted a special tax status after 1 January 2011. This includes GRP beneficiaries.

Rule 5(1) of LN 167/2013 states that the rate of fifteen cents (0.15) on every euro will apply on any income arising outside Malta in the year immediately preceding the year of assessment which is received in Malta (including income arising outside Malta and received in Malta during the whole of the year in which the special tax status was granted). The **following persons will benefit** from this special tax rate as well as the possibility to claim relief from double taxation:

* the beneficiary;
* the beneficiary’s spouse;
* the beneficiary’s minor children including adopted minor children and children in the care and custody of the beneficiary or of the beneficiary’s spouse or person with whom s/he is in a stable and durable relationship;
* adult children including adult adopted children and children who are in the beneficiary’s care and custody or in the care and custody of the beneficiary’s spouse or the person s/he is in a stable and durable relationship, who because of serious illness are unable to maintain themselves.

Income of the persons listed above, that is not chargeable at the special rate of 15 percent is charged as separate income at the rate of 35 cents on every euro.[[156]](#footnote-156)

In any case, the **minimum amount of tax payable** in terms of the GRP rules in respect of the income arising outside Malta must be EUR 15,000 for any year of assessment. This minimum amount is payable in full in both the year when the special tax status was granted and in the year when the individual ceases to possess the special tax status.[[157]](#footnote-157) In accordance with Rule 5(3)(a) of LN 167/2013, this minimum tax must be paid by the 30 April of the year immediately preceding the relevant year of assessment. The payment must be accompanied by a return made to the Commissioner for Revenue that provides proof that all the requirements of Rule 4 of LN 167/2013 (described in point 1.1 of Section II above) continue to be satisfied. The return does not need to be submitted in the year in which the special tax status is granted. Rule 5(3)(b) of LN 167/2013 states that in the case of the year in which the special tax status is granted, where it is evident that the special tax status will not be granted before 30 April, the minimum tax must be paid before the special tax status is granted. In accordance with Rule 5(3)(c) any tax paid is non-refundable.

GRP beneficiaries who apply for the MRVP in line with the requirements of LN 288/2015 or for a uniform residence permit in terms of the Immigration Regulations would benefit from the rights emanating from Article 7 of the Immigration Act as described for the MRVP above.

1. Rights granted to the investors’ family members

Dependants **under the MRVP** as defined by Regulation 2 of LN 288/2015 are granted the same rights (mentioned in point 1 above) as the main beneficiary. Dependants as defined in Rule 2 of LN 167/2013 that benefit from the same rights as the main beneficiary **under the GRP** are listed in point 1 above.

In addition, as regards **the MRVP**, Regulation 5(4) of LN 288/2015 grants certain rights to dependants following the death of a beneficiary. In exceptional circumstances, the MRVA can determine that the residence certificate will be issued to a dependant of the deceased beneficiary. The dependant must first prove that to the MRVA that all the requirements of LN 288/2015 are satisfied.

As regards **the GRP**, Rule 3(3) of Regulation 167/2013 states that following the beneficiary’s death, the special tax status is granted to the dependant of the deceased beneficiary who inherited the property that was the deceased beneficiary’s primary residence, or who rents a qualifying rented property immediately after the beneficiary’s death and satisfies all the other requirements set out in Rule 4 of LN 167/2013 (as described in point 1.1 of Section II above). The special tax status can only be transferred once the said dependant proves to the Commissioner for Revenue that the GRP requirements are satisfied.

1. Other benefits

The **MRVP beneficiary** may benefit from special tax regimes. Taxation of MRVP beneficiaries depends on whether the individual is resident in Malta for the country’s income tax purposes. Under the Income Tax Act (Article 4), an individual is not tax resident in the country if he or she spends less than 183 days in Malta.[[158]](#footnote-158) They are however deemed resident for tax purposes if their spouse is ordinarily resident and domiciled in Malta.

If resident, the individual will be subject to tax on income and capital gains arising in Malta and on foreign income that is remitted to Malta. Progressive tax rates of 0 - 35% apply for income over EUR 60,000 and individuals may claim relief to avoid double taxation.

If the MRVP beneficiary is not tax resident in Malta, they are subject to a tax on capital gains arising in Malta at a flat rate of 35%.[[159]](#footnote-159) Capital gains under Article 5 of the Income Tax Act include gains or profits arising from (1) any transfer of the ownership or use of real estate; (2) the sale of any rights over any securities, business, goodwill, business permits, copyright, patents, trademarks and trade-names and any other intellectual property; 3) a transfer of the beneficial interest in a trust. [[160]](#footnote-160) Any foreign income remitted to Malta is taxed at a flat rate of 15%.

No benefits additional to those mentioned in points 1 and 2 of this Section apply for **GRP beneficiaries**.

1. INTERACTION BETWEEN RESIDENCE AND CITIZENSHIP SCHEMES

MRVP targets applicants who are interested in residence rights and not in citizenship. Such applicants commonly come from countries that do not accept dual citizenship, e.g. China.[[161]](#footnote-161)

Given that the requirement for ordinary naturalisation in Malta is five years, the MRVP alone does not suffice for attaining citizenship under the ordinary naturalisation procedure.[[162]](#footnote-162) The status of an MRVP beneficiary is terminated when the beneficiary no longer meets the MRVP requirements. This includes cases where the termination of status occurs because the beneficiary becomes a Maltese, EEA or Swiss national or because an extended period of legal and continuous residence in Malta may lead the individual to acquiring a different status (e.g. long-term residence).[[163]](#footnote-163) Hence the beneficiary’s MRVP status is discontinued. The newly acquired status, along with lawful and continuous residence, could potentially complement the length of time spent under MRVP for the purposes of ordinary naturalisation.

There is no formal link between the MRVP managed and administered by the MRVA and Malta’s Individual Investor Programme that is managed and administered by Identity Malta. Beyond the fact that accredited agents can act for the purposes of both programmes,[[164]](#footnote-164) the two programmes are completely separate and distinct. In practice, the qualifying investment of EUR 250,000 under the MRVP (see point 2 above) can be retained for the purposes of an application under the Individual Investor Programme described in Deliverable B1 for Malta.[[165]](#footnote-165)

Statistical data on the number or percentage of third country nationals who obtained citizenship on the basis of investors’ residence permits is not available as there is no such link between the MRVP and the Individual Investor Programme. There are no cases of MRVP beneficiaries who applied for the Individual Investor Programme.[[166]](#footnote-166)

Regulation 6 of LN 288/2015 and Regulation 4 of LN 47/2014 respectively stipulate that GRP beneficiaries can apply for the MRVP and the Individual Investor Programme subject to satisfying all the additional eligibility requirements[[167]](#footnote-167) of the programme in question. There is no information as to how many GRP beneficiaries, if any, have applied or been granted citizenship under the Individual Investor Programme.

1. ECONOMIC AND FINANCIAL EFFICIENCY OF RESIDENCE PERMITS FOR FOREIGN INVESTORS

There are no mechanisms in place to monitor the economic impact and financial revenues from investors who have been granted residence.

There is no publicly available information that would allow a determination of whether the MRVP and GRP have met the expectations for which they were created. There are no studies assessing their economic and financial efficiency.

The **financial disbursements required** for the purposes of the MRVP and GRP are described in detail in point 2 of Section II above and the examples provided there are repeated below:

* The exact amount of money required to obtain the residence certificate **under the MRVP** depends on the specific circumstances e.g. whether the application includes dependants or not and whether the qualifying property is owned or rented as well as the location of this property. By way of example, in the case of an application by a main applicant with a qualifying owned property in Malta and no dependants the total disbursement required would amount to EUR 600,000 (EUR 30,000 (contribution) + EUR 320,000 (property) + EUR 250,000 (investment)). Taking this example, and based on the 29 successful applications from **2016** it is possible to state that this entails a total expenditure of **EUR 17,400,000** broken down as follows:
  + Contribution: EUR 30,000 x 29 = EUR 870,000
  + Property: EUR 320,000 x 29 = EUR 9,280,000
  + Investment: EUR 250,000 x 29 = EUR 7,250,000

The 83 successful applications from the **2017** applications that have been considered to date entail a total expenditure of **EUR 49,800,000** broken down as follows:

* + Contribution: EUR 30,000 x 83 = EUR 2,490,000
  + Property: EUR 320,000 x 83 = EUR 26,560,000
  + Investment: EUR 250,000 x 83 = EUR 20,750,000
* The exact amount of money required to obtain special tax status **under the GRP** also depends on the specific circumstances namely, where the qualifying property is situated and whether it is a qualifying owned property or a qualifying rented property. By way of example, in the case of an application by a beneficiary with a qualifying owned property in Malta, the total disbursement required would amount to EUR 281,000 (EUR 275,000 (property) + EUR 6,000 (administrative fee)).

The total amount of **funds collected through the MRVP** in 2016 amounted to EUR 521,000; in 2017, EUR 3,776,000 and in January 2018 (1 – 31 January), EUR 586,000. Hence from the start of the programme to 31 January 2018 a total of EUR 4,883,000 has been collected.[[168]](#footnote-168)

Any net surplus of funds from the contribution are transferred to the Consolidated Fund (established by Article 102 of the Constitution of Malta) every quarter.[[169]](#footnote-169) All revenues and other moneys raised or received by Malta except for revenues or moneys payable into another fund established by law for a specific purpose are paid into the Consolidated Fund.[[170]](#footnote-170) Withdrawals from the Consolidated Fund are typically limited to those necessary to meet expenditure as set out in the Constitution or another law or authorised by an Appropriation Act.

As regards the **GRP** it is noted that the Press Release announcing the launch of the programme to stakeholders was accompanied by the caption ‘**A Programme that will give a strong boost to various economic sectors of Malta​’**.[[171]](#footnote-171) The Minister responsible for the economy stated that the GRP

‘gives a strong boost to various economic sectors leading to Economic Growth.  The Global Residence Programme will be revitalizing the property sector by increase property purchase in our country, especially that of a certain value, allowing the country to get more money in taxes, increasing work, even to professionals in this sector such as lawyers and tax consultants and it will also help the Financial Services industry, the leisure and hospitality industry.’[[172]](#footnote-172)

The GRP was also presented as a programme that would incentivise investments in the south of Malta and Gozo. This is done by setting lower thresholds in relation to the cost of the qualifying property and a lower administrative fee (see point 2 of Section II above) and through promotional material.[[173]](#footnote-173)

While there is **no data on the financial impact of the GRP** it is reasonable to assume that it has a considerable impact on the property market. Immovable property in Malta has steadily increased in price and presumably the GRP, MRVP and the Individual Investor Programme (described in Deliverable BI) are driving forces behind this. These programmes also have an impact in terms of a revenue stream for real estate agents, lawyers, accountants and other non-public bodies that act as approved agents or mandatories of the applicants.

1. Subsidiary Legislation 217.18, Malta Residence and Visa Programme Regulations, 25 August 2015. Legal Notice 288 of 2015, as amended by Legal Notice 189 of 2017: <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12397&l=1> [↑](#footnote-ref-1)
2. Chapter 217 of the Laws of Malta, Immigration Act, 21 September 1970, Act IX of 1970 as last amended by Act XXXVI of 2015: <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8722&l=1> [↑](#footnote-ref-2)
3. Information obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-3)
4. MRVP, Frequently Asked Questions – Identity Malta: <https://identitymalta.com/wp-content/uploads/2016/05/FAQ-V5.0.pdf> [↑](#footnote-ref-4)
5. Subsidiary Legislation 123.148, Global Residence Programme Rules, 1 July 2013, Legal Notice 167 of 2013, as amended by Legal Notice 267 of 2014: <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12062&l=1> [↑](#footnote-ref-5)
6. Chapter 123 of the Laws of Malta, Income Tax Act, 1 January 1949, Act LIV of 1949 as last amended by Act VII of 2018: <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8658&l=1> [↑](#footnote-ref-6)
7. Regulation 6(1) of LN 288/2015. [↑](#footnote-ref-7)
8. Subsidiary Legislation 217.04, Immigration Regulations, 1 May 2004, Legal Notice 205 of 2004 as amended by Legal Notices 307 and 426 of 2012: <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=9559&l=1>. [↑](#footnote-ref-8)
9. Subsidiary Legislation 188.013, Individual Investor Programme of the Republic of Malta Regulations, 4 February 2014, Legal Notice 47 of 2014: <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12141&l=1> [↑](#footnote-ref-9)
10. See Identity Malta webpage: Malta Residency & Visa Programme (MRVP) guidelines and applications: <https://identitymalta.com/new/malta-residency-visa-program-mrvp-guidelines-and-applications/>. [↑](#footnote-ref-10)
11. Subsidiary Legislation 497.21, Malta Residency Visa (Establishment of an Agency) Order, 21 April 2017, Legal Notice 107 of 2017 as amended by Legal Notice 201 of 2017: <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12655&l=1>. [↑](#footnote-ref-11)
12. Subsidiary Legislation 497.26, Malta Residency Visa (Establishment) Order, 29 March 2018, Legal Notice 97 of 2018: <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12810&l=1> [↑](#footnote-ref-12)
13. Article 9 of LN 97/2018: ‘The Malta Residency Agency (Establishment) Order’ is hereby repealed.’ [↑](#footnote-ref-13)
14. Article 6 of LN 97/2018 [↑](#footnote-ref-14)
15. Article 6 of LN 97/2018 [↑](#footnote-ref-15)
16. Article 7(1) of LN 97/2018. [↑](#footnote-ref-16)
17. Article 7(3) and (4) of LN 97/2018. [↑](#footnote-ref-17)
18. Article 3 of LN 97/2018. [↑](#footnote-ref-18)
19. Chapter 497 of the Laws of Malta, Public Administration Act, 27 November 2009, Act I of 2009 as last amended by Legal Notice 243 of 2017, Act II of 2018 and Legal Notice 96 of 2018: http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8963&l=1. [↑](#footnote-ref-19)
20. Subsidiary Legislation 497.07, Identity Malta Agency (Establishment) Order, 10 September 2103, Legal Notice 269 of 2013, as amended by Legal Notice 101 of 2016: <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12096&l=1>. [↑](#footnote-ref-20)
21. Article 3(1) of LN 269/2013. [↑](#footnote-ref-21)
22. Chapter 497 of the Laws of Malta, Public Administration Act, 27 November 2009, Act I of 2009 as last amended by Legal Notice 243 of 2017, Act II of 2018 and Legal Notice 96 of 2018: http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8963&l=1. [↑](#footnote-ref-22)
23. Article 4 of LN 97/2018 Article 4 of LN 269/2013. [↑](#footnote-ref-23)
24. Article 3 of LN 97/2018 and Article 3(1) of LN 269/2013. [↑](#footnote-ref-24)
25. Identity Malta Agency (Establishment) (Amendment) Order, 29 March 2018, Legal Notice 95 of 2018: <http://justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=28992&l=1>. [↑](#footnote-ref-25)
26. Article 8(1 and (4) of LN 269/2013. [↑](#footnote-ref-26)
27. Article 8(2) and (3) of LN 269/2013. [↑](#footnote-ref-27)
28. Article 9(1) and (2) of LN 269/2013. [↑](#footnote-ref-28)
29. Articles 9(3) and 10 of LN 269/2013. [↑](#footnote-ref-29)
30. Subsidiary Legislation 497.25, Malta Individual Investor Programme Agency (Establishment) Order, 29 March 2018, Legal Notice 96 of 2018: http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12809&l=1. [↑](#footnote-ref-30)
31. Information obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-31)
32. Times of Malta, ‘Residence agencies split into three’, 29 March 2018: <https://www.timesofmalta.com/articles/view/20180329/local/residence-agencies-split-into-three.674864>. [↑](#footnote-ref-32)
33. Further details are provided in Deliverable BI for Malta. [↑](#footnote-ref-33)
34. Article 3(1) of Chapter 372 of the Laws of Malta, Income Tax Management Act, 23 September 1994, Act XVIII of 1994 as last amended by Act VII of 2018: <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8841&l=1>. [↑](#footnote-ref-34)
35. Chapter 406 of the Laws of Malta, Value Added Tax Act, 1 January 1999, Act XXIII of 1998 as last amended by Legal Notice 9 of 2018: <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8872&l=1>. [↑](#footnote-ref-35)
36. See point 1.2 of Section II below. [↑](#footnote-ref-36)
37. Regulation 6(1) of LN 288/2015. [↑](#footnote-ref-37)
38. Regulation 2 of LN 288/2015 defines ‘certified copy’ as ‘a photocopy of an original document certified by a duly warranted lawyer, or notary public, a Maltese consular or diplomatic officer, Malta Residence and Visa Agency or a senior officer of an authority appointed by Malta Residence and Visa Agency in terms of regulation 11(2)’. Regulation 11(2) of LN 288/2015 grants the MRVA the right to delegate any of its functions under the regulation, other than the issuance of the certificate, to another authority duly constituted under any other law and capable of exercising such functions. [↑](#footnote-ref-38)
39. Regulation 6(2) of LN 288/2015. [↑](#footnote-ref-39)
40. Dependants are a broad range of family members and the relevant legal provisions are described in point 1.5 of Section II below. [↑](#footnote-ref-40)
41. Stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-41)
42. Regulation 2 of LN 288/2015 defines ‘non-refundable administrative fee’ as ‘the portion of the contribution paid up front at the time of submission of the application’. [↑](#footnote-ref-42)
43. Regulation 5(1) of LN 288/2015. [↑](#footnote-ref-43)
44. Regulation 6(3) of LN 288/2015. [↑](#footnote-ref-44)
45. Regulation 2 of LN 288/2015 defines ‘beneficiary’ as ‘a third-country national who has been issued a certificate in terms of these regulations’ and ‘third-country national’ as ‘any person who is not a citizen of the European Union within the meaning of Article 20 of the Treaty o the European Union and the Treaty on the Functioning of the European Union: Provided that, for the purposes of these regulations, EEA nationals and Swiss nationals shall not be considered to be third-country nationals’. [↑](#footnote-ref-45)
46. Regulation 5(2) of LN 288/2015. [↑](#footnote-ref-46)
47. Regulation 5(3) of LN 288/2015. [↑](#footnote-ref-47)
48. Information obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-48)
49. Regulation 5(3), proviso of LN 288/2015. [↑](#footnote-ref-49)
50. Regulation 6(6) of LN 288/2015. [↑](#footnote-ref-50)
51. These schemes are set up by subsidiary legislation issued under the Income Tax Act, Chapter 123 of the Laws of Malta: <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8658&l=1>. They entitle their holders to a special tax status. Subsidiary Legislation 123.79, Residents Scheme Regulations, 1 May 2004, Legal Notice 428 of 2004, as last amended by Legal Notice 271 of 2014: <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=9386&l=1>; Subsidiary Legislation 123.126, Highly Qualified Persons Rules, 1 January 2010, Legal Notice 106 of 2011 as last amended by Legal Notice 192 of 2017: <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11643&l=1>; Subsidiary Legislation 123.129, High Net Worth Individuals – EU/EEA/Swiss Nationals Rules, 1 January 20122, Legal Notice 400 of 2011, as last amended by Legal Notice 268 of 2014: <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11761&l=1>; Subsidiary Legislation 123.134, Malta Retirement Programme Rules, 28 September 2012, Legal Notice 317 of 2912, as amended by Legal Notice 269 of 2014: <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11939&l=1>; Subsidiary Legislation 123.141, Qualifying Employment in Innovation and Creativity (Personal Tax) Rules, 1 January 2013, Legal Notice 106 of 2013, as amended by Legal Notice 462 of 2014: <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12004&l=1>; Subsidiary Legislation 123. 160, Residence Programme Rules, 1 July 2013, Legal Notice 270 of 2014: <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12219&l=1>; [↑](#footnote-ref-51)
52. Regulation 2 of LN 288/2015. [↑](#footnote-ref-52)
53. Regulation 9(2) of LN 288/2015. [↑](#footnote-ref-53)
54. Regulation 2 of LN 288/2015 defines the Ministers as the Minister responsible for Finance and the Minister responsible for the Economy, Investment and Small Business. [↑](#footnote-ref-54)
55. Regulation 9(4) of LN 288/2015. [↑](#footnote-ref-55)
56. Regulation 9(3) of LN 288/2015. [↑](#footnote-ref-56)
57. Regulation 11(1) of LN 288/2015. [↑](#footnote-ref-57)
58. Rule 2 of LN 167/2013 defines ‘third-country national’ as any person who is not an EU citizen and specifies that EEA nationals and Swiss nationals will not be considered as third-country nationals for the purposes of the GRP rules. [↑](#footnote-ref-58)
59. See point 1.2 of Section II below. [↑](#footnote-ref-59)
60. Rule 2 of LN 167/2013 defines ‘long-term resident’ as a person who has or a person who applies for long-term resident status under the Status of Long-Term Residents (Third Country Nationals) Regulations. [↑](#footnote-ref-60)
61. Rule 3(1) of LN 167/2013. [↑](#footnote-ref-61)
62. Rule 3(1) of LN 167/2013. [↑](#footnote-ref-62)
63. ‘Application for special tax status: Global Residence Programme’: <https://cfr.gov.mt/en/inlandrevenue/itu/Documents/grp_form_application.pdf> [↑](#footnote-ref-63)
64. Questionnaire in connection with the Global Residence Programme: <https://cfr.gov.mt/en/inlandrevenue/itu/Documents/grp_questionnaire.doc> [↑](#footnote-ref-64)
65. Rule 3(2) of LN 167/2013. [↑](#footnote-ref-65)
66. The Global Residence Programme, 2013 Guidance Notes: <https://cfr.gov.mt/en/inlandrevenue/itu/Documents/grp_guidelines.pdf> [↑](#footnote-ref-66)
67. As per definition of ‘appointed day’ in Rule 2 of LN 167/2013. It is also noted that Rule 2 defines ‘these rules’ to include the provisions of Article 56(23) of the Income Tax Act and the rules contained in LN 167/2013. [↑](#footnote-ref-67)
68. Rule 6(2) of LN 167/2013. [↑](#footnote-ref-68)
69. Rule 6(3) of LN 167/2013. [↑](#footnote-ref-69)
70. Rule 3(4) of LN 167/2013. [↑](#footnote-ref-70)
71. Regulation 2 of LN 167/2013 defines the Ministers as the Minister responsible for Finance and the Minister responsible for the Economy, Investment and Small Business. These are the same as the competent Ministers for the purposes of the MRVP. [↑](#footnote-ref-71)
72. Rule 6(5) of LN 167/2013. [↑](#footnote-ref-72)
73. Regulation 2 of the Immigration Regulations. [↑](#footnote-ref-73)
74. Regulation 12(1) of LN 288/2015. [↑](#footnote-ref-74)
75. Information confirmed through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-75)
76. Regulation 12(4) and (5) of LN 288/2015. [↑](#footnote-ref-76)
77. Regulation 12(6) of LN 288/2015. [↑](#footnote-ref-77)
78. To date, the MRVA website is still temporary and contains very scarce information about the scheme and the agency, and a contact form: <https://www.maltaresidencevisaprogramme.com> [↑](#footnote-ref-78)
79. Identity Malta, Accredited Person – Code of Conduct: <http://iip.gov.mt/wp-content/uploads/2014/02/Malta-IIP-Code-of-Conduct-2.pdf> [↑](#footnote-ref-79)
80. The EUR 650,000 contribution to the National Development and Social Fund can only be referred to as ‘contribution’, while the EUR 150,000 investment requirement in stocks, bonds, debentures, special purpose vehicles or other investments as identified by Identity Malta Agency, or other, as ‘investment’. Identity Malta, Accredited Person – Code of Conduct: <http://iip.gov.mt/wp-content/uploads/2014/02/Malta-IIP-Code-of-Conduct-2.pdf> [↑](#footnote-ref-80)
81. Information obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-81)
82. Regulation 12(7) of LN 288/2015. [↑](#footnote-ref-82)
83. Regulation 12(8) of LN 288/2015. [↑](#footnote-ref-83)
84. MRVP, Frequently Asked Questions – Identity Malta: <https://identitymalta.com/wp-content/uploads/2016/05/FAQ-V5.0.pdf> [↑](#footnote-ref-84)
85. Discus Holdings Limited, About us: <http://www.discusholdings.com/wp-content/themes/discus/img/certificate.jpg> [↑](#footnote-ref-85)
86. Information confirmed through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-86)
87. Rule 3(1) of LN 167/2013. [↑](#footnote-ref-87)
88. Rule 10(3) of LN 167/2013. Further information on authorised mandatories is available on the Commissioner for Revenue’s website: <https://cfr.gov.mt/en/inlandrevenue/itu/Documents/hnwi_guide_arm.pdf>. [↑](#footnote-ref-88)
89. Rules 2 and 10(4) of LN 167/2013. [↑](#footnote-ref-89)
90. Rule 10(5) and (6) of LN167/2013. [↑](#footnote-ref-90)
91. Rule 10(7) of LN 167/2013. [↑](#footnote-ref-91)
92. Rule 10(8) of LN 167/2013. [↑](#footnote-ref-92)
93. Regulation 10(1) of LN 288/2015. [↑](#footnote-ref-93)
94. Rule 7(1) of LN 167/2013. [↑](#footnote-ref-94)
95. Regulation 10(2) of LN 288/2015. [↑](#footnote-ref-95)
96. Rule 7(2) of LN 167/2013. [↑](#footnote-ref-96)
97. Regulation 11(1) of LN 288/2015. [↑](#footnote-ref-97)
98. Information obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-98)
99. Statistics obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-99)
100. Statistics obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-100)
101. Regulation 2 of LN 288/2015. [↑](#footnote-ref-101)
102. Regulation 2 of LN 288/2015. [↑](#footnote-ref-102)
103. Regulation 2 of LN 288/2015 defines ‘not economically active’ as ‘a person who is not working and not seeking work or not available for work’. [↑](#footnote-ref-103)
104. Chapter 413 of the Laws of Malta, Equal Opportunities (Persons with Disability) Act, 10 February 2000, Act I of 2000 as last amended by Act XXIV of 2016: <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8879&l=1>. [↑](#footnote-ref-104)
105. Regulation 5(5) of LN 288/2015. [↑](#footnote-ref-105)
106. Regulation 5(8) of LN 288/2015. [↑](#footnote-ref-106)
107. Regulation 5(6) of LN 288/2015. [↑](#footnote-ref-107)
108. Regulation 5(7) of LN 288/2015. [↑](#footnote-ref-108)
109. Regulation 5(7), proviso of LN 288/2015. [↑](#footnote-ref-109)
110. Regulation 6(5) of LN 288/2015. [↑](#footnote-ref-110)
111. Regulation 8(2) of LN 288/2015. [↑](#footnote-ref-111)
112. Statistics obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-112)
113. Rule 2 of LN 167/2013 defines ‘not economically active' as ‘a person who is not working and not seeking work or not available for work’. This is the same as the definition provided by Regulation 2 of LN 288/2015. [↑](#footnote-ref-113)
114. Rule 2 of LN 167/2013. [↑](#footnote-ref-114)
115. For the purposes of this Table, the term ‘investment’ covers any pecuniary disbursement required as part of the process for obtaining residence under the investors’ residence scheme. [↑](#footnote-ref-115)
116. Information obtained through stakeholder consultation with MRVA representative on 7 March 2018. For further information see point 4 below. [↑](#footnote-ref-116)
117. Regulation 2 of LN 288/2015 defines ‘south of Malta’ as the areas within set boundaries as designated in the Second Schedule to the Local Councils Act of the localities listed in the Schedule to LN 288/2015. The Schedule to LN 288/2015 lists 23 localities in Malta for the purposes of the definition of ‘south of Malta’. [↑](#footnote-ref-117)
118. MRVP, Frequently Asked Questions – Identity Malta: <https://identitymalta.com/wp-content/uploads/2016/05/FAQ-V5.0.pdf>. Confirmed through stakeholder consultation with MRVA representative on 7 March 2018 – the investment is made in Malta Government stocks or funds that invest exclusively in Malta Government stocks. [↑](#footnote-ref-118)
119. Information confirmed through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-119)
120. Information obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-120)
121. Information obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-121)
122. Information obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-122)
123. Regulation 2 of LN 167/2013 defines ‘south of Malta’ as the areas within set boundaries as designated in the Second Schedule to the Local Councils Act of the localities listed in the Schedule to LN 167/2013. The Schedule to LN 167/2013 lists the same 23 localities in Malta as the Schedule to LN 288/2015 for the purposes of defining ‘south of Malta’. [↑](#footnote-ref-123)
124. The Global Residence Programme, 2013 Guidance Notes: <https://cfr.gov.mt/en/inlandrevenue/itu/Documents/grp_guidelines.pdf> [↑](#footnote-ref-124)
125. The Global Residence Programme, 2013 Guidance Notes: <https://cfr.gov.mt/en/inlandrevenue/itu/Documents/grp_guidelines.pdf> [↑](#footnote-ref-125)
126. The Global Residence Programme, 2013 Guidance Notes: <https://cfr.gov.mt/en/inlandrevenue/itu/Documents/grp_guidelines.pdf> [↑](#footnote-ref-126)
127. Information confirmed through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-127)
128. Information confirmed through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-128)
129. MRVP, Frequently Asked Questions – Identity Malta: <https://identitymalta.com/wp-content/uploads/2016/05/FAQ-V5.0.pdf> [↑](#footnote-ref-129)
130. See e.g. ‘Article by Finance Malta’: <https://economy.gov.mt/en/globalresidence/Pages/Article-by-Finance-Malta.aspx>. [↑](#footnote-ref-130)
131. ‘Article by Finance Malta’: <https://economy.gov.mt/en/globalresidence/Pages/Article-by-Finance-Malta.aspx>. [↑](#footnote-ref-131)
132. Checklist for Third-Country Nationals applying for a residence permit on the basis of economic self-sufficiency, Identity Malta: https://identitymalta.com/wp-content/uploads/2017/10/Checklist-for-Third-Country-Nationals-applying-for-a-residence-permit-on-the-basis-of-economic-self-sufficiency.pdf [↑](#footnote-ref-132)
133. CEA form K (non-EU nationals), <https://identitymalta.com/wp-content/uploads/2014/07/CEA-Form-K.pdf> [↑](#footnote-ref-133)
134. Checklist for Third-Country Nationals applying for a residence permit on the basis of economic self-sufficiency, Identity Malta: https://identitymalta.com/wp-content/uploads/2017/10/Checklist-for-Third-Country-Nationals-applying-for-a-residence-permit-on-the-basis-of-economic-self-sufficiency.pdf [↑](#footnote-ref-134)
135. Information obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-135)
136. Information obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-136)
137. Information obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-137)
138. Information obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-138)
139. MRVP, Frequently Asked Questions – Identity Malta: <https://identitymalta.com/wp-content/uploads/2016/05/FAQ-V5.0.pdf> [↑](#footnote-ref-139)
140. Information confirmed through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-140)
141. Authorised Registered Mandatory: https://cfr.gov.mt/en/inlandrevenue/itu/Documents/hnwi\_guide\_arm.pdf [↑](#footnote-ref-141)
142. ‘Application for special tax status: Global Residence Programme’: <https://cfr.gov.mt/en/inlandrevenue/itu/Documents/grp_form_application.pdf> [↑](#footnote-ref-142)
143. ‘Application for special tax status: Global Residence Programme’: <https://cfr.gov.mt/en/inlandrevenue/itu/Documents/grp_form_application.pdf> [↑](#footnote-ref-143)
144. Questionnaire in connection with the Global Residence Programme: <https://cfr.gov.mt/en/inlandrevenue/itu/Documents/grp_questionnaire.doc> [↑](#footnote-ref-144)
145. The Global Residence Programme, 2013 Guidance Notes: <https://cfr.gov.mt/en/inlandrevenue/itu/Documents/grp_guidelines.pdf> [↑](#footnote-ref-145)
146. Regulation 3 of LN 288/2015. [↑](#footnote-ref-146)
147. Regulation 4 of LN 288/2015. [↑](#footnote-ref-147)
148. MRVP, Frequently Asked Questions – Identity Malta: <https://identitymalta.com/wp-content/uploads/2016/05/FAQ-V5.0.pdf> [↑](#footnote-ref-148)
149. MRVP, Frequently Asked Questions – Identity Malta: <https://identitymalta.com/wp-content/uploads/2016/05/FAQ-V5.0.pdf> [↑](#footnote-ref-149)
150. <https://jobsplus.gov.mt/employers-mt-MT-en-GB/employing-persons/third-country-nationals> [↑](#footnote-ref-150)
151. MRVP, Frequently Asked Questions – Identity Malta: <https://identitymalta.com/wp-content/uploads/2016/05/FAQ-V5.0.pdf> [↑](#footnote-ref-151)
152. Directive 2011/98/EU of the European parliament and of the Council of 13 December 2011 on a single application procedure for a single permit for third-country nationals to reside and work in the territory of a Member State and on a common set of rights for third-country workers legally residing in a Member State: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32011L0098&from=EN>. [↑](#footnote-ref-152)
153. Article 12 of Directive 2011/98/EU. [↑](#footnote-ref-153)
154. See Identity Malta webpage: Malta Residency & Visa Programme (MRVP) guidelines and applications: <https://identitymalta.com/new/malta-residency-visa-program-mrvp-guidelines-and-applications/>. [↑](#footnote-ref-154)
155. Article 21, paragraph 1, Convention implementing the Schengen Agreement of 14 June 1985 between the Governments of the States of the Benelux Economic Union, the Federal Republic of Germany and the French Republic on the gradual abolition of checks at their common borders   
      as amended by Regulation (EU) No 610/2013 of the European Parliament and of the Council of 26 June 2013 amending Regulation (EC) No 562/2006 of the European Parliament and of the Council establishing a Community Code on the rules governing the movement of persons across borders (Schengen Borders Code), the Convention implementing the Schengen Agreement, Council Regulations (EC) No 1683/95 and (EC) No 539/2001 and Regulations (EC) No 767/2008 and (EC) No 810/2009 of the European Parliament and of the Council. [↑](#footnote-ref-155)
156. Rule 5(2) of LN 167/2013. [↑](#footnote-ref-156)
157. Rule 5(1) of LN 167/2013. [↑](#footnote-ref-157)
158. Income Tax Act, http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8658 [↑](#footnote-ref-158)
159. Advisory Corporate Tax, Residence Programmes in Malta: A comparative analysis: <http://act.com.mt/media/images/active/downloads/Comparative%20Analysis_inc.%20MRVP_Final.pdf> [↑](#footnote-ref-159)
160. Income Tax Act, http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8658 [↑](#footnote-ref-160)
161. Information obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-161)
162. Advisory Corporate Tax, Residence Programmes in Malta: A comparative analysis, <http://act.com.mt/media/images/active/downloads/Comparative%20Analysis_inc.%20MRVP_Final.pdf> [↑](#footnote-ref-162)
163. Regulation 9 of LN 288/2015. [↑](#footnote-ref-163)
164. Information obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-164)
165. Information obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-165)
166. Information obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-166)
167. The additional requirements with respect to the Individual Investor Programme are described in Deliverable BI. [↑](#footnote-ref-167)
168. Information obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-168)
169. Information obtained through stakeholder consultation with MRVA representative on 7 March 2018. [↑](#footnote-ref-169)
170. Article 102(1) of the Constitution of Malta. [↑](#footnote-ref-170)
171. Ministry for the economy, ‘Global Residence Programme is Launched’: <https://economy.gov.mt/en/globalresidence/Pages/home.aspx> [↑](#footnote-ref-171)
172. Ministry for the economy, ‘Global Residence Programme is Launched’: <https://economy.gov.mt/en/globalresidence/Pages/home.aspx> [↑](#footnote-ref-172)
173. See e.g. ‘The Global Residence Programme - Gozo as an Exclusive Residence Destination’: <https://economy.gov.mt/en/globalresidence/Documents/Gozo%20as%20an%20Exclusive%20Residence%20Destination.pdf> [↑](#footnote-ref-173)