



**INVESTMENT  
MIGRATION  
COUNCIL**

Mr Jean-Marc Roirant (Rapporteur)  
Member of the EESC  
European Economic and Social Committee  
Rue Belliard 99-101  
1000 Brussels

17 September 2019

**Subject: IMC comments on draft EESC opinion on Investor Citizenship and Residence Schemes in the European Union (SOC/618)**

Dear Mr Roirant,

I am writing again on behalf of the Investment Migration Council (IMC) in relation to the draft EESC opinion on Investor Citizenship and Residence Schemes in the European Union (SOC/618), responding to the Commission report of 23 January on the same topic (COM(2019)12).

As the Committee will appreciate, an objective, balanced and fact-based report that includes up to date contributions from relevant stakeholders, is essential from a governance perspective. The lack of balanced insight was recognised by the European Commission itself post the publication of its own report, hence the expert and stakeholder working groups they subsequently set up and on which we and our representative governments are participating in since April/May this year. To strive for such a balance of inputs/views to be reflected in your work and that of the committee I attach our detailed comments on the current draft option. My key ask as CEO of the main industry body representing investment migration that is registered with the EU Transparency Register and enjoys Special Consultative Status with the UN ECOSOC is that industry views are represented in the report, anything short of that would be intellectually disingenuous which most certainly would not be the intention of the committee. Additionally, I would like to draw your attention to important research we are currently undertaking. This research will address several issues raised in the EESC opinion, in particular the points relating to due diligence:

- The state of due diligence investigation, expected completion by the end of October 2019
- Due diligence recommendations for governments and agents, expected completion by the end of October 2019

I remain at your disposal for any clarification. Indeed I/the IMC has been actively seeking a call or meeting with you on this issue for some time and would very much appreciate if this could be made possible before the report is concluded. I shall look forward to hearing from you regarding your availability.

Yours sincerely,

Bruno L'ecuyer  
Chief Executive &  
Member of the Governing Board

## IMC comments on draft EESC opinion on Investor Citizenship and Residence Schemes in the European Union (SOC/618)

### Paragraph 1.1

Original text	Proposed amendment
The EESC recommends that to address the risks posed by citizenship- and residence-by-investment schemes (CBI and RBI hereinafter) detailed in Section 3 and to fulfil its primary mandate, the group of Member States' experts set up by the Commission should focus on setting minimum standards and risk mitigation measures harmonised at the EU level. These must be backed by close monitoring and enforcement of sanctions by the Commission.	The EESC recommends that to address the risks posed by citizenship- and residence-by-investment schemes (CBI and RBI hereinafter) detailed in Section 3 and to fulfil its primary mandate, the group of Member States' experts set up by the Commission, <b>together with industry representatives</b> , should focus on setting minimum standards and risk mitigation measures harmonised at the EU level. These must be backed by close monitoring and enforcement of sanctions by the Commission <b>in accordance with the applicable laws</b> .

**IMC comments:** The IMC is the main industry body representing investment migration. It is registered with the EU Transparency Register and enjoys Special Consultative Status with the UN ECOSOC. The IMC shares the same goal as the European institutions, namely to limit the risks of investment migration through strengthening due diligence standards and security procedures, whilst improving transparency. The IMC stands ready to collaborate with EU policymakers in achieving these goals. An objective, balanced and fact-based report that includes up to date contributions from relevant stakeholders, is essential from a governance perspective. We therefore request that the EESC take into account the comments of the IMC in its opinion.

### Paragraph 1.2.i

Original text	Proposed amendment
Minimum standards for due diligence and security checks that are adapted to the risk profile of CBI and RBI applicants and comply with existing EU anti-money laundering regulations;	Minimum standards for due diligence and security checks that are adapted to the risk profile of CBI and RBI applicants and comply with existing EU anti-money laundering regulations, <b>working together with industry representatives</b> ;

**IMC comments:** The IMC has established the industry’s only [‘Code of Ethics and Professional Conduct’](#) to which all members must abide. Disciplinary rules and procedures are in place for members that violate the IMC Code. The IMC is also working proactively to develop a programme of mandatory qualifications for all Investment Migration professionals to ensure standards are raised across the industry. These qualifications provide the investment migration industry’s only certified professional educational and training programmes. We call for the EESC to recognise the ongoing work undertaken by the investment migration sector in this area.

**Paragraph 1.2.ii**

<b>Original text</b>	<b>Proposed amendment</b>
Minimum standards for the operational integrity of the scheme, including transparency and governance measures as well as regulatory measures for the industry; and	Minimum standards for the operational integrity of the scheme, including transparency and governance measures as well as regulatory measures for the industry <i>in accordance with the applicable laws</i> ; and

**IMC comments:** In light of the fact that citizenship matters lie within the competence of Member States, guidelines and minimum standards at EU level should support operational integrity of the schemes and information-sharing among Member States and between national competent authorities in accordance with applicable laws.

**Paragraph 1.2.iii**

<b>Original text</b>	<b>Proposed amendment</b>
An obligation and mechanisms for information-sharing among Member States as well as between national competent authorities within Member States.	<i>Guidelines</i> and mechanisms for information-sharing among Member States as well as between national competent authorities within Member States.

**IMC comments:** In light of the fact that citizenship matters lie within the competence of Member States, guidelines and minimum standards at EU level should support operational integrity of the schemes and information-sharing among Member States and between national competent authorities in accordance with applicable law.



**Paragraph 1.5**

Original text	Proposed amendment
The EESC recommends that the Commission establish a coordination mechanism that allows Member States to exchange information on successful and rejected applications. This could take the form of interconnected central registers containing information on the due diligence process under which an application has been rejected and the underlying reasons for such decision, to avoid shopping around between Member States.	The EESC recommends that the Commission establish a coordination mechanism that allows Member States to exchange information on rejected applications <b><i>for all naturalisation processes and residence permits</i></b> . This could take the form of interconnected central registers containing information on the due diligence process under which an application has been rejected and the underlying reasons for such decision, to <b><i>discourage</i></b> shopping around between Member States.

**IMC comments:** We call for any future information exchange mechanism to apply to both naturalization processes and residence permits to ensure equal treatment for all applicants notwithstanding their status. However, we suggest that including successful applications within the information exchange procedure would constitute an unnecessary administrative burden for Member States.

**Paragraph 1.7**

Original text	Proposed amendment
The EESC further recommends that the EU should require all agents providing services to applicants to be accredited and subject to a code of conduct establishing minimum criteria and requirements harmonised at EU level so that agents failing to prepare strict and reliable documentation for acceptance can be sanctioned and if repeated, lose their licence/accreditation.	The EESC further recommends that the EU, <b><i>in cooperation with industry representatives</i></b> , should require all agents providing services to applicants to be accredited and subject to a code of conduct establishing minimum criteria and requirements harmonised at EU level so that agents failing to prepare strict and reliable documentation for acceptance can be sanctioned and if repeated, lose their licence/accreditation.

**IMC comments:** An objective, balanced and fact-based report that includes up to date contributions from relevant stakeholders, is essential from a governance perspective.



**Paragraph 1.8**

<b>Original text</b>	<b>Proposed amendment</b>
While the EESC recognises that public authorities may need to hire specialist agencies for conducting the necessary checks, it insists that the governments should nevertheless maintain primary responsibility for accepting or rejecting applicants. Furthermore, they must adopt a set of measures to avoid conflicts of interest or bribery risks. In particular, the specialist agencies should be selected according to open contracting principles, be barred from marketing of the schemes or providing additional services to applicants and their remuneration must not depend on the outcome of the applications.	While the EESC recognises that public authorities may need to hire specialist agencies for conducting the necessary checks, it insists that the governments should nevertheless maintain primary responsibility for accepting or rejecting applicants. Furthermore, they must <b><i>maintain and strengthen if necessary</i></b> a set of measures to avoid conflicts of interest or bribery risks. In particular, the specialist agencies should be selected according to <b><i>robust</i></b> contracting principles <b><i>that prioritise a high quality service over delivery cost</i></b> , be barred from marketing of the schemes or providing additional services to applicants and their remuneration must not depend on the outcome of the applications.

**IMC comments:** We call for the EESC to recognize that measures are already in place across Member States to avoid conflicts of interest or bribery risks. We support minimum standards at the EU level in that respect in order to discourage shopping around between Member States. However, we trust that by using a tender, the weight of pricing risks undermining the search for quality.

**Paragraph 1.10**

<b>Original text</b>	<b>Proposed amendment</b>
Third, Member States should ensure that programmes operate with strong governance and oversight mechanisms, and that citizens are informed of the risks and rewards that come with selling citizenship and residency. To safeguard the integrity of the schemes and ensure that EU citizens know who their new compatriots are and have confidence in the screening processes, the Commission should require Member States to systematically collect	Third, Member States should ensure that programmes operate with strong governance and oversight mechanisms, and that citizens are informed of the risks and rewards that come with selling citizenship and residency. To safeguard the integrity of the schemes and ensure that EU citizens know who their new compatriots are and have confidence in the screening processes, the Commission <b><i>may, in compliance with the relevant laws, encourage</i></b> Member States to systematically collect and



and publish information on the schemes in an open data format, harmonised at EU level.	publish information on the schemes in an open data format, harmonised at EU level.
--	--

**IMC comments:** The IMC is committed to better information-sharing, control systems and urge the EESC to support oversight mechanisms through robust and fair EU-level standards in full respect of both EU law and competencies of Member States in citizenship matters.

**Paragraph 1.11**

Original text	Proposed amendment
In addition, Member States should be required to conduct regular impact assessments and make adjustments as necessary, to exercise independent oversight of the schemes and to ensure that they are regularly audited and the results published.	In addition, Member States should be <b><i>encouraged</i></b> to conduct regular impact assessments and make adjustments as necessary, to exercise independent oversight of the schemes and to ensure that they are regularly audited and the results published <b><i>in accordance with applicable laws.</i></b>

**IMC comments:** In light of the fact that citizenship matters lie within the competence of Member States, guidelines and minimum standards at EU level should support operational integrity of the schemes and information-sharing among Member States and between national competent authorities in accordance with applicable laws.

**Paragraph 1.12**

Original text	Proposed amendment
Member States should further provide for robust whistleblowing mechanisms for staff and citizens to report concerns and wrongdoing and build in mechanisms to revoke citizenship and residency rights, in the event that new evidence of corruption or criminality is uncovered.	Member States should <b><i>be encouraged to</i></b> provide for robust whistleblowing mechanisms for staff and citizens to report concerns and wrongdoing and to revoke citizenship and residency rights, in the event that new evidence of corruption or criminality is uncovered.

**IMC comments:** The possibility for revocation of citizenship is part of citizenship laws of the Member States. The most recent example of revocation of citizenships took place in Bulgaria.<sup>1</sup>

<sup>1</sup> <https://www.imidaily.com/europe/bulgaria-cancels-citizenship-of-8th-cip-investor-in-three-months/>



### Paragraph 1.13

Original text	Proposed amendment
The EESC calls on the Commission to periodically review national schemes, investigate and sanction any potential breach of EU principles and objectives.	The EESC calls on the Commission to periodically review national schemes, <b><i>in cooperation with industry representatives</i></b> , investigate and sanction any potential breach of EU principles and objectives.

**IMC comments:** An objective, balanced and fact-based report that includes up to date contributions from relevant industry stakeholders is essential from a governance perspective.

### Paragraph 2.5

Original text	Proposed amendment
The EC report explains that the schemes pose risks related to security, money laundering, tax evasion and circumvention of EU rules. These risks are further exacerbated by the lack of transparency in how the schemes are operated and a lack of cooperation among Member States. The EC has committed to further monitoring CBI and RBI schemes for their compliance with EU law and taking action when necessary. With a view to improving this and to identify concrete actions to tackle the challenges stemming from the schemes, the EC has set up a group of experts that already met twice this year to look at the risks arising from investor citizenship schemes and define mitigation measures.	The EC report explains that the schemes pose risks related to security, money laundering, tax evasion and circumvention of EU rules. These risks, <b><i>according to the EC report</i></b> , are further exacerbated by the lack of transparency in how the schemes are operated and a lack of cooperation among Member States. The EC has committed to further monitoring CBI and RBI schemes for their compliance with EU law and taking action when necessary. With a view to improving this and to identify concrete actions to tackle the challenges stemming from the schemes, the EC has set up a group of experts that already met twice this year to look at the risks arising from investor citizenship schemes and define mitigation measures.



### Paragraph 2.6

Original text	Proposed amendment
Most of these schemes were introduced in the aftermath of the 2007 financial crisis. A number of European countries hit hard by the crisis may have seen it as an easy and quick way to recover from the crisis. In the context of competition between countries to attract foreign direct investment, this has encouraged a race to the bottom in terms of standards and requirements.	Most of these schemes were introduced in the aftermath of the 2007 financial crisis. A number of European countries hit hard by the crisis may have seen it as an <b>opportunity</b> to recover from the crisis. In the context of competition between countries to attract foreign direct investment, this <b>might have</b> encouraged <b>different</b> standards and requirements.

### Paragraph 3.1.2

Original text	Proposed amendment
The Committee considers that some of these schemes raise questions about their compliance with EU principles and objectives, including the principle of sincere cooperation.	<b>deleted</b>

**IMC comments:** The principle of sincere cooperation has its legal framework and its infringement is a matter of law. There has been no reasonable legal argument or proceedings to support the argument that investment migration infringes the principle of sincere cooperation as established in EU law. The IMC is willing to provide further information and clarification on this point to the Committee.

### Paragraph 3.3.3.

Original text	Proposed amendment
The EESC notes that in general, despite the high risk profile of applicants, enhanced due diligence checks are not systematically applied. Moreover, dependents or third-party benefactors who are allowed to provide funds to support the applicant are not systematically subject to due diligence checks and controls.	The EESC notes that enhanced due diligence checks are not applied <b>to all applicants</b> . Moreover, dependents or third-party benefactors who are allowed to provide funds to support the applicant are not systematically subject to due diligence checks and controls.



**IMC comments:** Applicants to investment migration schemes are subject to due diligence procedures in their chosen host country. Applicants are generally ranked as low, medium or high risk, with enhanced due diligence processes applied to high risk applications.

**Paragraph 3.3.4**

<b>Original text</b>	<b>Proposed amendment</b>
The EESC understands that one of the main selling points of these programmes is to offer a fast track to citizenship or residence, sometimes within a few months' time. It is usual to see it explicitly advertised. However, the profile and the origin of applicants will often make it difficult to carry out the adequate level of due diligence and security checks and conduct reliable business intelligence reports within the time limit.	The EESC understands that one of the main selling points of these programmes is to offer a fast track to citizenship or residence, sometimes within a few months' time. It is usual to see it explicitly advertised. <b><i>It may be</i></b> difficult to carry out the adequate level of due diligence and security checks and conduct reliable business intelligence reports within the time limit.

**Paragraph 3.3.5**

<b>Original text</b>	<b>Proposed amendment</b>
The success rates of applicants also seem to indicate that some Member States are not particularly selective, raising doubts about the strictness of checks and controls conducted on applicants.	<b><i>A lack of minimum standards indicates that not all</i></b> Member States are <b><i>necessarily equally</i></b> selective, raising doubts about the strictness of checks and controls conducted on applicants.

**Paragraph 3.3.6**

<b>Original text</b>	<b>Proposed amendment</b>
Some Member States running RBI schemes do not seem to have a process in place for proactively addressing security concerns that may only emerge after residence is granted.	<b><i>Deleted</i></b>

**IMC comments:** We urge legal certainty in the use of language and suggest that phrases such as 'do not seem' should not be used to illustrate the hypothetical example above.

**Paragraph 3.4.1**

Original text	Proposed amendment
<p>The EESC appreciates that insufficient accountability and limited transparency in golden passport and visa programmes can further give rise to corruption. The lack of transparency and integrity also exposes the state itself and public officials to corruption risks. Structural weaknesses of CBI and RBI schemes include: high discretionary power in decision-making, a lack of proper independent oversight, and risk of conflict of interests of private agents and intermediaries involved in both the application and due diligence process.</p>	<p>The EESC appreciates that insufficient accountability and limited transparency in <b>investment migration</b> can further give rise to corruption. The lack of transparency and integrity also exposes the state itself and public officials to corruption risks. Structural weaknesses of CBI and RBI schemes <b>may</b> include: high discretionary power in decision-making, a lack of proper independent oversight, and risk of conflict of interests of private agents and intermediaries involved in both the application and due diligence process.</p>

**IMC comments:** Whilst these cases represent a miniscule proportion of total investment migration applicants, the potential abuse of programmes needs to be addressed as soon as possible. Rigorous, fair and formalised system for investment migration with minimum standards that will mitigate exploitation are crucial. The number of people who gain citizenship through this route is way smaller than the number of other naturalizations and applicants are subject to more rigid checks, reducing the risks. Naturalisations via investment in the EU amount to approximately 0.1% of total number of EU naturalisations.

Furthermore, the terms ‘golden passport’ and ‘golden visa’ are somewhat derogative rather than neutral. We, therefore, suggest using the term ‘investment migration’ to cover both citizenship by investment and residence by investment programmes.

**Paragraph 3.4.2**

Original text	Proposed amendment
<p>The EESC is particularly concerned that such structural weaknesses and opacity in a sector generating high cash flow and dealing with customers of high net worth risk exposing the government to undue influence, abuse of power and bribery. In short, these schemes not only risk corrupt individuals coming into Member States, but also the corruption of states themselves.</p>	<p>The EESC is particularly concerned that such structural weaknesses and opacity in a sector generating high cash flow and dealing with customers of high net worth risk <b>may expose</b> the government to undue influence, abuse of power and bribery. In short, these schemes not only risk corrupt individuals coming into Member States, but also the corruption of states themselves.</p>



--	--

**IMC comments:** We acknowledge and are taking proactive steps to address concerns around transparency, due diligence and the potential for the abuse of investment migration. However, we strongly refute the implication that there is a causal link between the wealth of applicants and instances of corruption within national jurisdictions *per se*.

### Paragraph 3.4.3

Original text	Proposed amendment
The EESC understands that in some jurisdictions government bodies undertake due diligence themselves, while in others they may hire specialist agencies to conduct the checks that will then be factored into the final decision. It further notes that in any case governments must maintain primary responsibility for accepting or rejecting applications, using due diligence findings to inform their decision. In cases where this key step in the application process is handed over to specialist agencies, the EESC is concerned about possible risks of conflicts of interests and bribery, in particular when those agencies can be contracted by the state to perform due diligence checks on applicants while at the same time providing services and advice to applicants.	The EESC understands that in some jurisdictions government bodies undertake due diligence themselves, while in others they may hire specialist agencies to conduct the checks that will then be factored into the final decision. It further notes that in any case governments must maintain primary responsibility for accepting or rejecting applications, using due diligence findings to inform their decision.

**IMC comments:** Investment migration specialists with sector expertise provide a valuable service to Governments in carrying out due diligence procedures, although it is always the Government of the host country which makes the final decision on an application. We urge the EESC to acknowledge this. We also urge the EESC to acknowledge the steps taken by the IMC and its members to develop minimum standards across the sector and to work proactively with EU and international policymakers.

### Paragraph 3.4.4

Original text	Proposed amendment
---------------	--------------------



<p>The Committee regrets that there are very few official figures available on the dimension of the issue (size of investments, number of applicants, beneficiaries, nationalities, amount and impact of the investment, etc.) and that despite increasing public interest, secrecy continues to enshroud the most basic information about golden visa applicants and investments.</p>	<p>The Committee <i>encourages the increase of</i> official figures available on the dimension of the issue (size of investments, number of applicants, beneficiaries, nationalities, amount and impact of the investment, etc.).</p>
--	---

**IMC comments:** Better and more reliable data on our sector is required to support a well-informed debate. The IMC is proactively working to develop independent research into key areas that we have identified as priorities including national security and the societal benefits of investment migration. In particular, the following research, expected to be completed by the end of October, will address several of the issues raised in this opinion:

- The state of due diligence investigation
- Due diligence recommendations for governments and agents

We also draw attention to IMC research papers for further information, which can be accessed here: <https://investmentmigration.org/academic/>

**Paragraph 3.5.1**

Original text	Proposed amendment
<p>The Commission's' report highlights the EU dimension of the problem. Not only is the EU used as a key selling point to attract investors but the decision made by a Member State to grant a passport or a visa can also possibly adversely affect all Member States and the EU as a whole since, through this decision, it is access to the whole Schengen area and the entire internal market which is granted.</p>	<p>The Commission's report highlights the EU dimension of the problem. Not only is the EU used as a key selling point to attract investors but <i>the abuse of investment migration</i> can also possibly adversely affect all Member States.</p>

**IMC comments:** There must be wrongdoing in order to create risk, such as a wrong decision by a Member State regarding an application.

**Paragraph 3.5.2**



Original text	Proposed amendment
The EESC agrees that the reputation of EU citizenship, as well as the common body of rights and values, is at risk.	The EESC agrees that, <i>in the case of abuse</i> , the reputation of EU citizenship, as well as the common body of rights and values, <i>would be</i> at risk.

### Paragraph 3.5.3

Original text	Proposed amendment
By way of consequence, the sale of citizenship and residency – its profits, ethical implications and risks – affects all EU citizens. The EESC notes that despite this, EU citizens remain in the dark on how these schemes work, how their national governments may or may not be mitigating the inevitable risks of selling passports and permits to high net worth individuals, and where the investments made as part of these schemes are ultimately going.	By way of consequence, the sale of citizenship and residency – its profits, <i>benefits</i> , ethical implications and risks – affects all EU citizens.

**IMC comments:** The IMC urges the EESC to acknowledge the benefits of investment migration. When managed effectively, investment migration benefits the individual, the host country and wider society. For example, European Parliamentary Research Service research estimates that Investment Migration contributed 0.58% to Malta's GDP and 2.5% of to Cyprus' GDP – more than Cyprus' entire agricultural sector. The EPRS also estimated that at least €9 billion has been invested through IM programmes across eight EU Member States in 10 years. We also draw your attention to an upcoming report on the impact of investment migration on Antigua.

- European Parliament Research Service report: [Citizenship by Investment and Residency by Investment schemes in the EU](#), 2018
- IMC research papers: <https://investmentmigration.org/academic/>

### Paragraph 3.5.5

Original text	Proposed amendment
The EESC considers that although the way in which golden passport and visa schemes operate varies from country to country, a case-by-case approach targeted at specific problems	The EESC considers that although the way in which <i>investment migration</i> operates varies from country to country, a case-by-case approach targeted at specific problems



identified in individual countries will not suffice and a coordinated approach at the EU level is needed to address the issue.	identified in individual countries will not suffice and a coordinated approach at the EU level is needed to address the issue.
--	--

**IMC comments:** The IMC shares the EESC’s goal of limiting the risks of investment migration through strengthening due diligence standards and security procedures within the EU. As the main industry body representing investment migration, the IMC calls on the EESC to recognise the contribution the IMC can make to the development of an EU-level approach.

**Paragraph 3.6.1**

<b>Original text</b>	<b>Proposed amendment</b>
As the European Parliament <sup>2</sup> and the Organisation for Economic Co-operation and Development (OECD) <sup>3</sup> have recently detailed, CBI and RBI schemes present a risk of being potentially misused for tax evasion purposes, as they allow investors to remain tax-residents in their home jurisdiction while benefiting from the tax advantages of the paid-for-residency schemes.	<b>The</b> European Parliament <sup>4</sup> and the Organisation for Economic Co-operation and Development (OECD) <sup>5</sup> have recently detailed, CBI and RBI schemes present a risk of being potentially misused for tax evasion purposes.

**IMC comments:** Under international tax law and almost all national tax laws with the notable exception of the USA, individual taxation is based on (tax) residence. It is therefore misleading to consider citizenship-by-investment programmes and residence-by-investment programmes in the same way. The grant of a residence permit itself does not change an individual’s tax residence status, which would need to be the case if such residence-by-investment programmes were to be abused for tax avoidance. Considering this, we therefore call on the EESC to request that the Commission explore ways to better align citizenship and tax rules in order to prevent taxation from being based solely on residence.

**Paragraph 4.1.2**

<b>Original text</b>	<b>Proposed amendment</b>
----------------------	---------------------------

2 [http://www.europarl.europa.eu/RegData/etudes/STUD/2018/627128/EPRS\\_STU\(2018\)627128\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2018/627128/EPRS_STU(2018)627128_EN.pdf).  
3 <https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/residence-citizenship-by-investment>.  
4 [http://www.europarl.europa.eu/RegData/etudes/STUD/2018/627128/EPRS\\_STU\(2018\)627128\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2018/627128/EPRS_STU(2018)627128_EN.pdf).  
5 <https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/residence-citizenship-by-investment>.



<p>While the EESC recognises that private companies contracted by the state can play a useful role in conducting due diligence on applicants, carrying out necessary background checks and compiling business intelligence reports, it warns against tasking these firms with risk assessment or decision-making. The Committee insists that this responsibility should lie with the relevant public authorities.</p>	<p>While the EESC recognises that private companies contracted by the state can play a useful role in conducting due diligence on applicants, carrying out necessary background checks and compiling business intelligence reports, it warns against tasking these firms with risk assessment. The Committee <b>acknowledges</b> that <b>the final decision lies</b> with the relevant public authorities.</p>
---	--

**IMC comments:** We welcome the acknowledgement that investment migration specialists with sector expertise provide a valuable service to Governments in carrying out due diligence procedures. We question however, if this is the case, why these companies cannot also carry out risk assessment. We also underline that Governments also carry out their own due diligence procedures, and that it is the Government of the host country which makes the final decision on an application.

**Paragraph 4.16**

Original text	Proposed amendment
<p>In addition, the EESC understands that accreditation and/or licensing of intermediaries providing services to applicants is not required in all Member States, i.e. the obligation to pass a "fit and proper" test and abide by a set of minimum accreditation criteria including confirmation that intermediaries are regulated professionals, disclosure of their beneficial ownership information and a declaration of interests.</p>	<p>In addition, the EESC understands that accreditation and/or licensing of intermediaries providing services to applicants is not required in all Member States, i.e. the obligation to pass a "fit and proper" test and abide by a set of minimum accreditation criteria including confirmation that intermediaries are regulated professionals, disclosure of their beneficial ownership information and a declaration of interests. <b>The Committee acknowledges work undertaken by the industry in this area.</b></p>

**IMC comments:** We encourage the EESC to acknowledge the work undertaken by the IMC to improve industry standards across the investment migration sector. The IMC has established the industry's only '[Code of Ethics and Professional Conduct](#)' (IMC Code) to which all members must abide. Disciplinary rules and procedures are in place for members that violate the IMC Code.

The IMC is also developing a programme of mandatory qualifications for all investment migration professionals in order to raise standards in the industry in line with best practices in other recognized



INVESTMENT  
MIGRATION  
COUNCIL

professions. These qualifications provide the investment migration industry's only certified professional educational and training programmes.