**Malta Residency Visa Agency**

**Summary notes**

**Introduction**

The existing Malta Residency Visa Programme (MRVP), in force since 2016, has been one of the Country’s successful initiatives in terms of foreign direct investment, introduced by the Government as a means to develop further the country’s human capital and attract business leaders, while generating a surplus in public finances.

The Programme offers third country nationals a chance at having a second residency in Malta. Often individuals and families in such countries look at having a second residency in a safe and stable country where they can settle and reside due to economic and political upheaval in their country of origin or domicile, and where they can raise their children and offer them reputable education and healthcare.

Malta competes with some 20 European residency-by-investment programmes, all contributing towards a global movement of increased mobility.

**MRVP’s contribution to the growth, development of the economy**

An economic impact study was conducted that assesses the impact of the MRVP on the Maltese economy. The study took into consideration the full 3 years of the programme’s running, between 2017 and 2019.

* The programme generated a one-off injection of financial capital of €29.98m net (2017-2019).
* In 2020 a further injection of €19m was registered.
* The effect of consumption expenditure by beneficiaries in various sectors of the economy generated circa €17.57m in 2019 alone.
* Total economic impact including both indirect and induced effects is estimated to be a value added of circa €18m in 2019.
* The Programme generated human capital estimated at €5.9m in knowledge economy and other high skills sectors in 2019…
* …and directly created 136 jobs (290 jobs when considering all multiplier effects). The jobs were predominantly in the finance and ICT sectors in 2019.
* As for real estate, whilst investment in this sector is important, the investment undertaken is relatively small in comparison to the entire market and the impact is estimated to be trivial especially during a time when the sector is booming. However, this investment would have helped boost the sector in an economic downturn.

**Strategy**

The Agency is committed to strengthening the Government’s residency-by-investment avenue that attracts an important stream of foreign direct investment and human capital. It will do this by ensuring Malta’s proposition is competitive, the programme’s platform and management are robust, while collaborating with other relevant entities to explore new possibilities of investment, while diversifying the regions of its market.

The Agency has a staff complement of 34, with a significant number of professionals in their field, and due diligence analysts well trained and kept up to date with the latest developments in the sector. The Agency invests heavily in training and development, engaging foreign experts that contribute to the team’s acquired knowledge by sharing expertise gained while ‘on-the-ground’.

**Malta Permanent Residence Programme (MPRP)**

**Media Q and A**

**Q: Why is the Malta Permanent Residence Programme (MPRP) being launched?**

A: The new Programme will build on the sound platform already established by the MRVP but ups the game in terms of Malta’s proposition while maintaining its momentum against competitor residency programmes in Europe and beyond. Stakeholder consultation was conducted to ensure any significant changes will positively impact all parties – applicants, accredited agents and ultimately the Maltese economy.

**Q. What rights does a beneficiary under the MPRP gain?**

The Programme gives third country international investors excluding EEA and Swiss\* permanent residency rights, entitled to reside, settle or stay indefinitely in Malta together with one’s registered dependants, as well as movement across Schengen for 90 days out of 180 days. (\*Currently additional ineligible countries due to sanctions include Iran, North Korea and Afghanistan).

**Q: What is the Programme’s legal basis?**

A: The Programme falls under the Immigration Act. New legislation will come into force in the coming weeks. Legislation will also regulate a new Agency – the Residency Malta Agency, and the current Malta Residency Visa Agency will cease to exist.

**Q: Under which ministry does the Agency and Programme fall?**

A: The Parliamentary Secretariat for Citizenship and Communities (Parliamentary Secretary Hon. Alex Muscat) is responsible. This, in turn, falls under the Ministry for Home Affairs, National Security and Law Enforcement.

**Q: What are the qualifying criteria for entry into the Programme?**

A: To benefit, applicants are to:

* rent a property for a minimum of €10,000 in the South of Malta/Gozo or €12,000 in the rest of Malta; or
* purchase a property for a minimum value of €300,000 in the South of Malta/Gozo or €350,000 in the rest of Malta;
* hold the qualifying property for a minimum of five years from the date of issuing of the residence certificate;
* pay an administrative fee of €40,000, €10,000 of which need to be paid upon the submission of the application, with the remaining €30,000 are payable within 2 months from the issuance of the Letter of Approval in Principle;
* pay a contribution of €58,000 if the applicant chooses to lease property or €28,000 if the applicant chooses to purchase property;
* pay a donation of €2,000 to a local registered philanthropic, cultural, sport, scientific, animal welfare or artistic NGO registered with the Commissioner for Voluntary Organisations, or as otherwise approved by the Agency.

**Q: What are the eligibility criteria for entry into the Programme?**

A: Applicants must be:

* in receipt of stable and regular resources sufficient to maintain himself/herself and his/her dependants without recourse to the social assistance system of Malta;
* in possession of a valid travel document;
* in possession of a sickness insurance policy in respect of all risks normally covered for Maltese nationals for himself/herself and his/her dependants;
* in possession of assets having a value of not less than €500,000, out of which a minimum of €150,000 shall be in the form of financial assets;
* pay an additional fee of €7,500 for every dependant over 18;
* submit application only via an accredited agent.

**Q: What are the main changes from the Malta Residence and Visa Programme?**

A: The new Programme sees:

* A slight rise in property purchase price that reflects the market, with due consideration to any possible negative market impact;
* A new donation to a charity;
* The new Agency will invest a portion of funds received directly in CSR projects, making the benefits of FDI more tangible to citizens;
* The removal of investments in stocks and bonds, which investment is now directed to the Government’s Consolidated Fund;
* Higher fees for dependants;
* The beneficiary’s health insurance now covers Malta (rather than all EU and this will be replaced by a travel insurance).

**Q: How many applications has the Agency received to date? How many were accepted/rejected?**

A: To date, the MRVA has received 2542 applications, 70% of which have been approved and with a 10% rejection rate, commensurate with industry standards. Withdrawals represent 2% of the total.

The remaining applications are in process pending further information from Agents, as requested by the Agency.

**Q: What has been the total contribution to public coffers?**

A: To date, contribution to the Government’s Consolidated Fund is €24,250,000.

**Q:** **From which countries do applicants usually hail?**

A: The majority of applications have traditionally come from China. China is by far the largest market for residency-by-investment programmes worldwide. However, there is increased interest from other countries such as South Africa, Turkey, Russia, Vietnam, India and the Middle East.

**Q: What would be a typical application?**

A: A common application would be a Main Applicant of circa 45, who applies for residency with his spouse, two children and parents.

**Q**: **What is the percentage of beneficiaries that buys real estate rather than rents property? What is the average price of property purchase?**

A: Percentage of beneficiaries who choose to buy property: 12%

 Percentage of beneficiaries who choose to rent: 88%

 Average investment in purchased property: €510,144

 Average investment in leased property: €14,401 yearly rent.

**Q: What is the processing time of an application?**

A:Currently, expected lead time of application processing is 4-6 months.

**Q: What safeguards are implemented before residence is given to a beneficiary and his family?**

A: **Criminal record**

Applicants and dependants over 14 need to be fit and proper, and have a clean criminal record issued by the competent authorities of the country of origin and of all the countries where one resided for at least 6 months during the last 10 years. They should not be indicted before an international criminal court nor should they have appeared before such court nor listed with Interpol or Europol.

 They should not have had, at any time, pending charges or have been found guilty of any crimes related to crimes of terrorism, money laundering, funding of terrorism, crimes against humanity, war crimes and crimes that infringe upon the Protection of Human Rights and Fundamental Freedoms nor have been found guilty at any time or are being interrogated and suspected at the time of application other than for involuntary offences punishable with more than 1 year imprisonment.

 Furthermore, applicants and dependants should not have had, at any time, pending charges or charges or have been found guilty of any crimes that disturb the good order of the family, including, without limitation, paedophilia, defilement of minors, rape, violent indecent assault, inducing persons underage of prostitution, and abduction.

**Potential threat**

They should not be a potential threat to the national security, public policy, public health or public interest.

 **Travel**

They must be in possession of a valid travel document.

**Insurance**

They must be in possession of sickness insurance in respect of all risks for Malta.

**Compliance**

The Agency monitors adherence by the beneficiary and his approved dependants to all the obligations and conditions set out in the Regulations annually for the first five years from its issue, and thereafter whenever the Agency deems it opportune in its sole discretion.

**Ongoing Monitoring**

All approved applications are subject to ongoing monitoring. Certificates are immediately revoked if the beneficiary infringes any of the rules set out in the Regulations.

**Due Diligence**

The Agency applies rigorous scrutiny via a four-tier due diligence process in order than only persons and families of repute are attracted to the Programme. This includes rigorous checks on source of wealth and source of funds. The Agency boasts a strong team of professionals trained in auditing, compliance and anti-money laundering.

The MRVA and the accredited agent share the responsibility of verifying all information provided by the applicant, ensuring all details are complete and correct. The first step is where the agent applies KYC principles when onboarding applicants.

The MRVA’s team then employs the second tier of due diligence. The application’s completeness and correctness is verified. This involves identifying anomalies that highlight any potential risk. The documentation submitted to MRVA is checked in its entirety to ensure validity, for example of notarised and apostilled documents and translations. Applications with missing documentation are paused until the accredited agent submits them of behalf of his client.

The third step is obtaining clearance from police authorities following thorough checks including checks against Interpol and Europol data.

A thorough and in-depth online investigation is then undertaken. International databases are consulted to check for sanctioned individuals and companies. Searches are conducted on all family members applying for residency, their corporate affiliations, any significant one-time transactions, donations, inheritance, significant business partners and associates.

Outsourced due diligence on every family is commissioned to reputable international companies to ensure verification of all information is also done in each of the family’s country of residence. These can include address checks as well as on the ground interviews with individuals who know the family.

The MRVA team finally puts together the applicant ‘story’. In cases where more clarity is required, further questions are put to the applicant to ensure it has the right and proper picture of the family’s application. Where necessary, information is bounced back with the due diligence companies to ensure coherence.

The final applicant file is then presented to the Approvals Board who then takes the final decision.

**Q**: **Who are the Programme’s agents?**

A: Agents accredited via the Agents (Licences) Regulations are also accredited to submit and process applications for the MPRP. Accreditation is handled by Community Malta Agency.

**Q: Which countries in Europe have an RBI programme?**

A:Portugal, Spain, Hungary, Bulgaria, Cyprus, Malta, Austria, Latvia, Greece, Ireland, Belgium, Andorra, United Kingdom, France, Italy, Jersey, Isle of Man, Luxembourg, Monaco, Netherlands.

**ENDS**