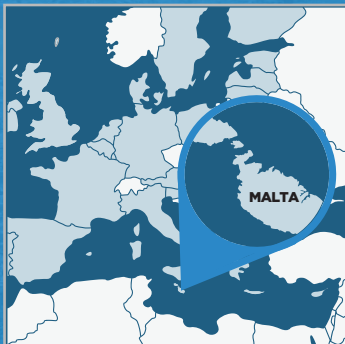


THE MALTA RESIDENCE AND VISA PROGRAMME



LOCATION Mediterranean - Europe
CAPITAL Valletta
TIME ZONE UTC +1
CURRENCY Euro (€)
GOVERNMENT TYPE Parliamentary Democratic

ROME
1 hr 30 min

ISTANBUL
2 hrs 30 min

FRANKFURT
2 hrs 45 min

PARIS
2 hrs 45 min

MADRID
3 hrs

AMSTERDAM
3 hrs

LONDON
3 hrs

MOSCOW
4 hrs

DUBAI
5 hrs 25 mins

Major cities that are close to Malta

SCHENGEN RESIDENCE FOR GLOBAL CITIZENS

CITIZENSHIP & RESIDENCE | TAX PLANNING | ASSET PROTECTION | WEALTH MANAGEMENT



WHY MALTA?

Malta has been a Member of the EU since 2004, part of Schengen since 2007 and part of the Euro Zone since 2008. Malta offers a stable political climate as well as a safe living environment with a very low crime rate. Moreover, Malta has become an ever-growing international business hub, with its competitive tax system, strategic location and flight connections. Malta registered the highest economic growth in the European Union in 2015 according to Eurostat statistics. According to official figures in the first quarter of 2016, Malta's economic growth continued to exceed expectations increasing by 5.2 per cent over an already high growth rate of 6.3 per cent recorded in the same quarter of last year. Comparatively in nominal terms, the Maltese economy is estimated to have grown by 7.6 per cent. The rate is the highest in the Eurozone, surpassing its average of 1.6 per cent. Job creation and the unemployment rate has outperformed that of euro-area peers. Eurostat figures show that Malta's 3.9 per cent unemployment rate in July 2016 is the lowest across the EU's 28 member states.

BENEFITS OF THE MRVP

For a reasonably modest capital outlay, MRVP grants the applicant and his/her family a notable return, inter alia:

- A residence certificate with indefinite validity;
- Visa free travel within the Schengen Area.

WHO MAY APPLY

To qualify for MRVP, the main applicant must be over 18 years of age, and must satisfy a 'fit-and-proper' test.

The applicant must not be:

- An EU, EEA or Swiss national
- A long term resident or has applied for long term resident status in Malta
- A beneficiary under any other programme granting special tax status Malta offers, such as the Malta Retirement Programme Rules. Nonetheless it is possible for beneficiaries of the Global Residence Programme to be allowed to apply for the issuance of a certificate in terms of the MRVP regulations.

The main applicant's family may also be included in MRVP application. Family is defined as follows:

- His/her spouse or the person with whom the main applicant is in a relationship with the same or a similar status to marriage;
- Minor children, including adopted children of the main applicant and/or his/her spouse or the person with whom the main applicant is in a relationship with the same or a similar status to marriage;
- Dependants between the age of 18-26 of the main applicant and/or his/her spouse or the person with whom the main applicant is in a relationship with the same or a similar status to marriage, provided they are not married, not economically active and principally dependent on the main applicant;
- Children who are not minors but because of circumstances of illness or disability are unable to maintain themselves;
- A parent or grandparent of the main applicant and/or of his/her spouse or the person with whom the main applicant is in a relationship with the same or a similar status to marriage, provided he/she is not economically active and is principally dependent on the main applicant.

REQUIREMENTS

Applicants must be represented by an authorised registered mandatory. DF Advocates is one such license holder. The requirements to benefit under MRVP are the following:

1. The main applicant commits himself to hold a qualifying property for a minimum period of 5 years from the date of the certificate, which property cannot be transferred to third parties, let or sub-let (hereinafter referred to as the "Qualifying Property");
 - a. The rental of immovable property in Malta at an annual rate of €12,000 for a property situated in Malta or €10,000 for a property situated in Gozo or in the South of Malta;OR
 - b. The acquisition of immovable property at a value of €320,000 for a property situated in Malta or €270,000 for a property situated in Gozo or in the South of Malta.
2. The main applicant must be in receipt of an annual income of not less than €100,000 arising outside Malta or has a capital of not less than €500,000;
3. The main applicant must be in possession of sickness insurance for himself and his family in respect of all risks across the whole of the EU normally covered for Maltese nationals;
4. The main applicant must commit himself/herself to a qualifying investment of an initial value of €250,000 which must be held for a minimum period of 5 years from the date of the certificate (hereinafter referred to as the "Qualifying investment");
5. The main applicant commits himself/herself to pay a contribution of €30,000.



THE APPLICATION PROCESS

1. Submission of Application and Administrative Fee

The application and supporting documentation must be submitted to the relative department, Identity Malta. At the time of submission of the application a non-refundable administrative fee of €5,500 on account of the contribution of €30,000 must be paid. A formal acknowledgement of the application and supporting documentation is issued.

2. Processing Phase

Identity Malta will conduct the necessary due diligence processing for a final decision to be taken on the application.

3. Letter of notification of approval

After the application is vetted accordingly a letter of notification of approval is issued. At this stage the following conditions must be fulfilled:

- a. The one time contribution of €30,000 less the non-refundable administrative fee must be paid;
- b. The necessary title to a Qualifying Property together must be presented;
- c. The certificate to a Qualifying Investment must be presented.

4. Certificate of Residence

Once the conditions mentioned in point 3 are fulfilled, the certificate of residence is issued. This certificate will include the names and surnames of the beneficiary and his/her dependants. The certificate has indefinite validity and will be monitored annually for the first 5 years and every 5 years thereafter.

5. Issuance of Maltese e-residence card

The relative application forms must be submitted prior to the issuance of the Maltese e-residence card. The beneficiary and/or his/her dependants will be invited to come to Malta for biometrics to be taken for the issuance of a Maltese e-residence Card. The Maltese e-residence card will be valid for the duration of 5 years from date of issue, renewable for further periods of five years.

6. Time Frame

The estimated time frame for a MRVP application to be processed is that of 3 months.

Frequently Asked Questions

1. What benefits does the MRVP certificate give the main applicant and his/her dependants?

The MRVP certificate has permanent validity. Maltese residence would grant them the right to travel to any Schengen country without the need to obtain a visa where this is normally required.

2. Are the prescribed forms submitted in English? May supporting documentation be presented in any other language?

The application is to be submitted in the prescribed form and therefore is to be completed in English. Original documents may be presented in any language, however they need to be accompanied by an authenticated and apostilled translation. Translations carried out in Malta by professional translation agencies do not need to be translated.

3. What are the main grounds for refusal?

Identity Malta will review applications on a case-by-case basis, however the main grounds for refusal would be if the applicant provides false information, has a criminal record or is subject to criminal investigations, poses a potential threat to national security or poses a reputational risk for Malta.

4. Does the applicant have to travel to Malta to obtain the Maltese e-residence card?

Yes. The applicant and his/her dependants must travel to Malta for biometrics to be taken before the issuance of the Maltese e-residence card.

5. May the MRVP certificate be revoked?

Yes, the MRVP certificate may be revoked if:

- (i) The following conditions are not fulfilled:
 - a. The beneficiary does not hold the Qualifying Property for a minimum period of 5 years during which said Qualifying Property cannot be transferred to third parties or let or sub-let;
 - b. The beneficiary does not hold the Qualifying Investment for a minimum period of 5 years;
 - c. The beneficiary is no longer in possession of stable and regular resources which are sufficient to maintain himself/herself or his/dependants;
 - d. The beneficiary is not in possession of sickness insurance for himself/herself and/or his/her dependants;
 - e. The beneficiary does not continue to earn an annual income of €100,000 or no longer continues to possess a capital of not less than €500,000.
- (ii) The individual becomes a Maltese, EEA or Swiss national;
- (iii) The individual becomes a long-term resident;
- (iv) The individual stays legally and continuously in Malta for a period of 4 years or more;
- (v) The individual becomes a threat to national security, public policy or health;
- (vi) The individual no longer continues to possess a clean criminal record or is subject to criminal investigations.

6. Are the beneficiaries required to physically stay in Malta for a particular number of days in order to continue to avail of the MRVP?

No. There are no obligations in this regard.

7. Are there any Tax implications?

Malta adopts an Anglo-Saxon model of taxation, thus embracing the concepts of domicile and residence. Persons who are resident but not domiciled in Malta are taxed on a source and remittance basis, that is on income and capital gains arising in Malta and on income arising outside Malta which is received in Malta. Any capital gains arising outside of Malta would not be taxed, even if remitted to Malta. MRVP beneficiaries are considered to be resident but not domiciled in Malta.

Beneficiaries of the MRVP certificate may be eligible to tax incentives granted under a separate programme, namely the Global Residence Programme. This grants the beneficiary the beneficial tax rate of 15% on foreign source income remitted to Malta with the possibility of claiming double tax relief.

8. What happens upon the demise of a beneficiary of the MRVP?

Following the death of a beneficiary, Identity Malta has the discretion to determine that the MRVP certificate shall be issued to a dependant of that deceased beneficiary. Such certificate shall be issued only once said dependant provides proof to the satisfaction of Identity Malta that all the requirements to be eligible for the MRVP are satisfied.

UPDATED SEPTEMBER 2016



DR. KEVIN DEGUARA
PARTNER

Dr. Kevin Deguara is a warranted lawyer and cofounding partner and current joint managing partner of DF Advocates in 2003

Kevin heads the Private Clients Department within the firm. He specialises in international structuring for ultra-high net worth individuals, families, in succession and asset protection structuring, as well as citizenship and immigration issues.

Kevin regularly speaks at international forums on various topics, mainly on citizenship, wealth preservation and international tax.