

(JUST)

**From:** (JUST)  
**Sent:** mercredi 21 mars 2018 10:25  
**To:** (JUST); MOOZOVA Irena (JUST); (JUST);  
 CRABIT Emmanuel (JUST); (JUST); (JUST);  
 (JUST)  
**Cc:** (SG); (SG); (JUST);  
 (JUST)  
**Subject:** Flash Report - European Semester Bilateral with Malta on its Individual Investor Programme 20.3

A meeting by video conference took place yesterday with the Maltese authorities (Ministry of Finance and Identity Malta) to discuss the Maltese Individual Investor Programme ("IIP") in the context of the European Semester. This is the programme by which individuals can "buy" Maltese passports and hence also EU Citizenship.

for Identity Malta, gave a presentation of the procedures followed in the context of the Individual Investor Programme, which was set up in 2014. He said the programme had received 1,300 applications and 850 of these had been accepted: this means a rejection rate of around 20% of applicants. He referred in detail to the 4 tiers of due diligence procedures applied to all applicants. His presentation was complemented with more detail from the at Identity Malta. also underlined that, since most applicants are third country nationals, they need a visa to come to Malta and are therefore subject to the usual checks in the Schengen Information System.

Identity Malta provide information on the applicants to the FIAU, which has full visibility of all the applicants being processed by the programme. There is also a Regulator, who regulates the Maltese IIP. The government also publishes annual reports on the IIP.

stated that the scheme has (from 2014 until last week) brought in 620 million Euros for the government. There has been an additional 170 million Euros that has been invested in property in Malta.

When asked by COM about the aim of the scheme, stated that MT had limited resources and the objective had been to put MT "on the map" for high net-worth individuals. He considered that this had worked as the programme had led to people investing in MT: he referred to investment in a pharmaceutical industry factory, in the IT security sector and in IT offices. He noted however that Identity Malta was at arms' length from the applicants who became citizens. In some cases, the agents who process their citizenship applications put in place non-disclosure agreements, meaning that Identity Malta does not get all information about what the applicants do.

COM also asked about the publication of the names of people who acquire MT citizenship via this route and for details of their nationality. replied that names of all people acquiring MT citizenship are published in the MT Official Gazette. Data protection rules prevented the Maltese authorities from providing details of their other nationalities. He said that the biggest group of applicants was at the start from Saudi Arabia and Russia (noting that the highest rejection rate had been for Russians). He said they were now seeing more applicants from China, India and Turkey. He did not reply to the point made by COM that it would be possible to publish statistics on this, without identifying individuals.

The meeting finished with a discussion about how the funds raised from the IIP were used and about the impact on the property market. Of the 620 million Euros raised, 6% of this is spent on Identity Malta (ie. running the scheme); 70% goes to the independent National Social Development ("NSD") Fund, which is a sort of Sovereign Fund for Malta (advice had been sought from Norway for example on how to govern such a fund); and the remainder goes to the Consolidated Fund, which provides general revenue for the government. Little detail was given on how the NSD fund was used, but reference was made to expenditure of 1 million Euros on hospitals. As regards the impact of the IIP on the MT property market, stated that the IIP only affected in the region of 300 properties a year and could not therefore be said to be a driver of the MT property market. The influx of migrant workers was more

relevant in this regard. The Ministry of Finance underlined that there was no bubble in the MT property market – this had been confirmed by a recent visit of the IMF to MT. Overall the price for entry to the MT property market was considerably lower than the average in the EU.

Present for COM:

*IN BRU*

[REDACTED] (SG)  
[REDACTED] (SG)  
[REDACTED] (JUST)  
[REDACTED] (JUST)

*By VC from Malta*

[REDACTED] (ECFIN)  
[REDACTED] (ECFIN)  
[REDACTED] (COMM-VALLETTA)  
[REDACTED] (COMM-VALLETTA)