



Malta Citizenship by Naturalization for Exceptional Services by Direct Investment

Republic of Malta

Overview of Malta

- Malta became an independent state in 1964 as a Constitutional Monarchy, with Queen Elizabeth II as its Head of State.
- In December, 1974, Malta became a Republic and it has been a member of the European Union since 2004, permitting its citizens to live and work in any of the EU member countries.
- Capital: Valletta
Area: 316 km² (122 square miles)
Currency: Euro
- Two official languages: English & Maltese
- Current population stands at about 420,000.
- Sunny Mediterranean climate with 12 hours of sunshine per day in summer and 5 to 6 hours in mid-winter.
- A major freight trans-shipment point, financial centre, and popular tourist destination with numerous recreational areas, historical and architectural monuments, including nine UNESCO World Heritage Sites.
- Daily connecting flights to all of the major cities of Europe.



Benefits of Maltese citizenship

- Visa free travel to over 160 countries of the world, including U.S.A.
- Can live and work in all 28 EU countries and in Switzerland
- Stable, well-respected and neutral EU country
- Citizens of Malta who are not domiciled in Malta are taxable only on a remittance basis
- No wealth, inheritance or gift tax
- Attractive place to live or own property, offering a good quality of life and excellent education for children



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The Malta program is aimed at ultra high net worth individuals and offers citizenship after one year or 3 years of residency, but an applicant is not required to live in Malta physically for the required “residency” period. However, the applicant must make a minimum of two (preferably three) trips to Malta within the residency period and meet other criteria, such as purchasing a residence or renting premises in Malta.

Citizenship can be granted to suitable individuals and families who hold resident status in Malta for a minimum period of twelve months. As mentioned, residency is not measured by physical presence of 365 days in a year, but by presenting a case of proposed links and connections to “Community Malta Agency”, the government agency which is in charge of the program and responsible for carrying out in-depth due diligence process on each application.

Eligibility for Maltese Citizenship by Investment

- The principal applicant for Malta Citizenship by Investment must be at least 18 years of age.
- The main applicant may also add dependents to a citizenship application: his/her spouse, children and parents or grandparents, under certain conditions.





'Fit and proper' Test

- Applicants must show they are in good standing and repute and undergo a 'fit and proper' test. The Government of Malta is committed to the highest standard of due diligence to ensure only deserving and reputable applicants qualify for Maltese citizenship.
- Due Diligence fees are set at the following levels:
For main applicant: **€15,000**
For spouse, children (aged under 29) and dependent parents (aged over 55): **€10,000** each.
- Applicants must demonstrate a clean criminal record, with checks being conducted with the International Criminal Court, INTERPOL and various other authorities and sources. Applicants must provide a police certificate which may be submitted subsequent to the submission of the application but prior to approval.
- Applicants must show they do not suffer from a contagious disease.



Fees & Requirements

Contribution to the National Development & Social Fund

- All individuals and families applying to the Malta Citizenship by Naturalization for Exceptional Services by Direct Investment must make a significant contribution to the National Development and Social Fund established by the Government.
- To qualify for Malta Citizenship by Investment, the main applicant is required to contribute either **€600,000** (for those who want to acquire citizenship after 3 years residency) or **€750,000 (1 year residency)** to Malta. Of this contribution, 70% will go into the Fund set up by the Government of Malta and overseen by a board of trustees. The rest goes to the consolidated fund.
- The Fund will finance projects linked to education, public health, innovation, job creation and social projects. The fund is on the same level as the Central Bank.
- Spouse, children (aged under 29) and dependent parents (aged over 55 years) are required to contribute **€50,000 each**.

Property Purchase or Rental

- The applicant must also commit to retain a residence in Malta for a period of **at least 5 years**, either through the purchase of a property with a minimum value of **€700,000**, or through the leasing of a property with a minimum annual rent exceeding **€16,000**.

Charity Donation

- Applicants must also donate **at least €10,000** to a local non-profit organization, and can choose from numerous scientific, artistic, sport or cultural NGOs registered in Malta.



Taxation of New Citizens

- Taxation under the Maltese tax system is based on domicile and residence – not citizenship. The grant of Maltese citizenship to a non-domiciliary of Malta does not of itself, cause the beneficiary to acquire a new domicile of choice in Malta. Residence for tax purposes is established by demonstrating an intention to reside in Malta indefinitely and definitely on the basis of a day count of 183 days a year.
- Tax residents of Malta who are not domiciled in Malta are taxable only on a remittance basis. Accordingly, “non-doms” who are not resident in Malta are not taxable on foreign source income not received in Malta, nor on any capital gains arising outside Malta whether remitted or not. Tax is due only on a sources basis on income and capital gains arising in Malta. A non-resident citizen of Malta is only taxable in Malta on Malta source income.

Residence Status

- The “residence requirement” requires proof of a genuine link with Malta.
- Citizenship may be granted after 12 months from the effective date of residential status for those who contributed **€750,000** but the applicant must commit to some presence in Malta and make a minimum of two trips to Malta before citizenship can be granted.

Sale of Property

- After the lapse of the obligatory 5 year period, the client’s property in Malta can be sold completely exempt from tax if such property has been held for a period of 3 years as the resident’s sole and ordinary residence. If sold before the lapse of 3 years, a property tax of 12% is assessed on the sale price.

Other Tax Considerations

- No inheritance or death taxes
- No estate duty
- No net worth or wealth taxes
- No municipal taxes, rates or annual real estate taxes



Legal Basis for Maltese Citizenship by Investment

Malta Citizenship by Investment may be granted under legislation passed in November, 2013 which made amendments to the Maltese Citizenship Act, Chapter 188 of the Laws of Malta. These amendments provide the framework for the enactment of LN 47 in 2014 and LN437 in 2020 (The Malta Citizenship by Naturalization for Exceptional Services by Direct Investment). These rules provide for affluent persons of impeccable standing and repute to be naturalized and to receive Maltese citizenship on the basis of a contribution to and investment in Malta.



Professional fees and procedures

- Professional fees:
For principal applicant: **€70,000**;
For spouse, unmarried children (aged 18-26) and parents (aged over 55 years): **€15,000 each**;
For children (aged below 18): **€10,000 each**.
- An application is formally submitted to Community Malta Agency. This agency is responsible for administrating and processing all Maltese citizenship related matters. The application must be submitted with the essential supporting documents along with the due diligence fees, passport fees and a deposit of **€10,000** towards the €600,000 or **€750,000** contribution. Evidence of the source of funds must also be presented.
- Upon approval in principle, the applicant must make the requisite contributions and, after 12-month of residency, he/she **must** execute an oath of allegiance in person before obtaining a certificate of Naturalization, and apply for and be issued a passport.

Grounds for Refusal

- Providing false information
- Having a criminal record or being subject of a criminal record
- Potential national security threat
- Likely to cause disrepute to Malta
- Denied a visa to a country

