



Malta: A high-value investment for your future

Q&A with Jonathan Cardona, Chief Executive Officer of the Malta Individual Investor Programme Agency, outlining the benefits Malta offers investors

A growing number of wealthy private individuals are looking at investment migration as a way of giving themselves, and their immediate family members, the opportunity to live a better life in a more stable environment, offering a vast array of business opportunities and intangible benefits. Moreover, such programmes give the applicant and dependents access to countries with financial and political stability, allowing them to achieve security and flexibility, freedom of movement and a safe harbour for business activities, families and individuals alike.

Jim Rogers, the well-known American investor, puts it like this: *"We're not going to have a very simple and stable world in the next 20 to 30 years, so you need to be able to be mobile,"* explaining that the threat of trade wars, environmental disaster, pollution and terrorism means *"everybody should have a 'plan B' to diversify their living possibilities."*

The trend for increased demand for second citizenship is continuing to grow amongst Ultra High Net Worth Individuals (UHNWI's) according to residential and commercial property consultancy Knight Frank in its latest Wealth Report.

World Commerce Review interviewed Jonathan Cardona, the Chief Executive Officer of the Malta Individual Investor Programme Agency (MIIPA), to find out how Malta is attracting individuals who are not only willing to invest, but who also believe in Malta, a small island nation with great potential.



Nowadays, more high net worth individuals are seriously weighing their options of resorting to investment migration in order to expand their business interests. This created an economic niche for citizenship by investment programmes. How is Malta tapping into this opportunity?

The Malta Individual Investor Programme (IIP) was created to attract highly successful individuals and families to live and invest in Malta. The programme was launched in February 2014 giving investors the opportunity to become Maltese citizens by naturalisation, whom were also able to share their networks, and develop their ideas on the Maltese Islands.

This caught the world's attention and managed to put Malta squarely on the map, creating a melting pot of business know-how, experiences, skills and funding. Their positive contribution to the Maltese society stimulates businesses, increasing job creation, and revenue, as well as augmenting the island's human capital.

This allows the country to break new ground through innovative foreign direct investment, garnering even more interest from all over the world for the ultimate benefit of the Maltese economy.

These programmes have attracted a fair bit of criticism, saying that citizenship has been commoditised. How has Malta overcome these attitudes?

Malta's ambition strives for quality rather than quantities. In turn, this proves to be beneficial to the parties on both ends, adding value to the country as much as to the individuals acquiring its citizenship, distinguishing the programme from the rest.

Moreover, seventy percent of the contribution paid by the applicants and the dependents are deposited into the National Development and Social Fund (NDSF). These funds are being used to address Government social projects.

In the past years, the Government has already confirmed projects related to healthcare, social housing, and sports. Applicants have also proved to be of great help to many philanthropic organizations through their donations, adding up to around €4 million.

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Whether an individual seeks alternative citizenship or residence during their working years, post-retirement, or during a phase of succession planning, it is becoming ever clearer that, as a new asset class, residence- and citizenship-by-investment are no longer part of a bespoke service offering.

Investment migration is officially becoming mainstream. How does Malta ensure that only reputable applicants are admitted to its citizenship programme?

The programme's success and robustness rests on three mechanisms intertwined in such a way that none can thrive without the other, that is the due diligence, good governance and transparency. But our responsibility does not start and end with the programme we conduct.

Our programme is widely acknowledged as one of the leading investment migration programmes worldwide. It is also considered to be one of the most rigorous ones, putting an emphasis on the seriousness of due diligence processes.

We go through a high level of detail on each application, knowing that like all service industries, the programme's reputation is guarded with very stringent due diligence and high regulatory standards.

The Malta Individual Investor Programme Agency constantly seeks to make the programme more efficient and maintain the high reputation it gained.

Throughout the years, the programme has developed and evolved its internal processes and procedures by advocating for higher industry standards, thus renewing our commitment to keep strengthening its integrity across the board.

What role does the regulator take?

The role of the Office of the Regulator and the functions of their office are regulated by the provisions of Article 25 of the Maltese Citizenship Act (Cap 188). The Regulator shall provide advice and guidance on the procedures, interpretations and any other recommendations on the implementation of the programme.

However, the Regulator may request any documentation from the Agency and is also empowered to regulatory interventions, envisaged to be on the overall compliance and specific compliance.

The Regulator also compiles and presents an annual report, including an overview of the development of the programme; statistics on the number of applications received, processed and decided as well as a breakdown of the characteristics of successful CBI applicants.

What benefits do you offer that perhaps other programmes lack?

The Maltese Islands are quite a forward-looking state steeped in tradition and rich in culture, with a strong history of outreach and trade. We have seen Malta shifting from a strategic stronghold to an Independent state. It is also a member of the European Union and member of the Commonwealth, one of the only three member countries located in Europe.

Malta has one of the most productive economies in the EU. It is a stable country, recognised as a rising star for successfully weathering the global turmoil to become one of Europe's fastest growing economies.

In fact, Malta has a growing reputation for being one of the best countries to do business with stems from our competitive tax regime and well-developed legal system. This also includes having low operating costs, as well as a highly skilled yet versatile workforce that speaks proficient English.

Nonetheless, Malta's robust economic performance can also be attributed to the government's pro-business stance as it seeks to further foster favourable conditions in attracting foreign direct investment to its shores.

Over the past decades, the Maltese economy, backed by the necessary legislation, has diversified well in the high-end manufacturing and services industry, establishing itself as a sound financial jurisdiction, a popular tourist destination and a hub for the ICT and gaming industries.

We have engaged in new economic niches and are now in full force working to expand our potential to become leaders, amongst others in digital innovation technology, already being the first to push forward a regulatory framework for Blockchain technology and exploring on Artificial Intelligence as a new economic niche.

Most certainly, the government's growth-friendly measures, coupled with its sound fiscal policy, has transpired towards attracting HNWI not only to obtain the Maltese citizenship but also to invest and develop their business in Malta. ■

