



THE MALTA CHAMBER

PRESS RELEASE

4th July 2020

The Malta Chamber welcomes improvements to the IIP scheme

The Malta Chamber of Commerce, Enterprise and Industry welcomes the changes proposed to the Individual Investor Programme (IIP) by Government in Parliament yesterday. The Malta Chamber has been very active in this area too, and following a very wide consultation with key stakeholders in this field and its membership, presented its detailed and extensive submissions and recommendations on the Individual Investors Programme in April of this year.

Most of the changes proposed by Government were included in The Malta Chamber's recommendations and we applaud the inclusion of these proposals such as the 100% increase in minimum value of property purchased by applicant, the mandatory philanthropic donation and the quota limitation to 1500 applications.

The Malta Chamber, in its document titled '**Ethical Business Calls for Change**' published in January 2020, made extensive reference to the Malta Individual Investor Programme (MIIP) and the need to seriously review the existing programme. In broad terms, the Chamber has always maintained that the economic developments in Malta had shown that there is undoubtedly an important economic need for inbound migration, more so for persons with special talents and world-class business management expertise and entrepreneurial abilities.

While the general quality management of the previous programme, especially in terms of due diligence, was already extensive, the Chamber suggested that there was a need for a clear distinction between the previous IIP scheme and the new programme. For this reason, the Chamber has gone strongly on record that a temporary suspension of the programme was needed until the second version was up and running. The Chamber is pleased to see that this strong position was acknowledged and now implemented by Government. The Chamber appreciates that action has been taken with four successful applicants to the programme who have brought disrepute to the programme and consequently to the Maltese jurisdiction and are in the process of being stripped of their citizenship.

The Chamber also notes with satisfaction that the new programme will also include a residency requirement prior to the applicant applying for citizenship. This will ensure a stronger link between the applicant and the Maltese jurisdiction.



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One missed opportunity in the previous programme was the fact the country did not fully tap into the wider opportunities most of these applicants could have brought in terms of potential investment or expertise to the local economy and social wealth.

Despite the good intentions behind the objective to increase the rental value from the present 16,000 to 18,000 euros per annum, the Chamber believes that this will not serve to separate the rental market for IIP investors from that of the average wage earner who usually rents at the same value. The Chamber believes that this will only serve to artificially inflate rents for the rest of the rental market and hence prejudice industry competitiveness. This will be a shame.

Instead, the Chamber had suggested to remove the minimum rental value and replace it with a requirement for a property which is adequate and suitable for the IIP applicant and his/her dependants. These would include family size, location, size and finishing standards of the property.

In conclusion, The Malta Chamber is satisfied with the proposals and actions communicated by Government yesterday and remains committed to work hard to improve the quality of local standards and repair the damage to the Country's reputation internationally by promoting ethics, professionalism and integrity with credibility.

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