

IIP cash 'goes straight to Identity Malta' says head

By Matthew Vella, 26. August 2014



Identity Malta head Jonathan Cardona dispels suggestions that Henley earns interest on IIP fees it keeps for prospective applicants.

The head of Identity Malta, the government agency that oversees the sale of Maltese citizenship under the Individual Investor Programme, has dispelled claims that concessionaries Henley & Partners could be making a killing from interest earnings by holding IIP application dues in escrow.

Jonathan Cardona, head of Identity Malta, told MaltaToday in a telephone conversation that all money paid by IIP applicants was “going to Identity Malta” and not being held by Henley during the time it takes for applicants to have their due diligence tests cleared.

“All money paid goes straight to Identity Malta,” Cardona told MaltaToday when he was asked whether Henley was holding the money until such time as it takes to give IIP applicants the all-clear.

Under the IIP rules, high net worth individuals can become Maltese citizens for €650,000, apart from a €115,000 investment in government bonds, and a €350,000 property (or €16,000 rental investment, annually for five years).

They have to pass a due diligence test that Henley & Partners, the official concessionaires operating and running the IIP, run on all applicants.

Henley have declared that over 200 applicants from 30 different nationalities have applied for a Maltese passport since it got up and running in early 2014.

A spokesperson told EUobserver.com that the main geographic areas from which applicants originate are the MENA [Middle East and North Africa] region, Russia, China, and South East Asia.

Over €200 million in foreign investment will be brought into the country, according to Henley.

The company was until recently occupying an office at the Mediterranean Conference Centre, adjacent to the offices of Identity Malta, through its subsidiary IIP Processing Ltd. Originally, IIP Processing was going to handle the risk assessment and part of the due diligence process for each applicant, and it was decided to locate it in close proximity to Identity Malta.

Now that the full processing and due diligence is the full responsibility of Identity Malta, IIP Processing's role is "primarily of an accounting nature", namely reconciling the accounts between Identity Malta and Henley & Partners.

As concessionaire, Henley is "first among equals", together with 89 accredited agents all promoting the IIP.

Applicants must also be [legal residents in Malta for 12 months](#) before becoming full citizens, which means the names of the IIP citizens can be expected by spring of 2015.

Henley reiterated that the programme will close once it fulfils its quota of 1,800 new passports – which does not excluded dependents such as spouses, children, and parents.

Although the Opposition led an unstinting campaign against the sale of citizenship, effectively contributing to adding new investment and residency requirements, the IIP gained more legitimacy when it was 'green-lit' by the European Commission following talks between the government and former justice commissioner Viviane Reding.

"Reding's lawyers could find nothing in the EU treaty to stop it from going ahead, despite issuing vague threats," EUobserver.com noted.

Prime Minister Joseph Muscat will speak on the IIP in New York on 10 September and at a Henley-sponsored conference in Singapore in late October.