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Malta's Golden Visas: What Problem Are They Solving and Who Benefits?



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Malta's Golden Visas: What Problem Are They Solving and Who Benefits?

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Executive Summary

Being a resident in the European Union, even without holding an EU passport, brings a number of [privileges](#): no-questions-asked travel in the Schengen zone, family reunification, education and vocational training opportunities, and easier access to business and financial services. For many non-EU nationals hoping to reside in the EU, this means piles of paperwork and intrusive questioning by various immigration gatekeepers. For the more affluent ones, residence rights can be bought off the shelf and arranged by one-stop-shop type well-connected service providers.

Authorities of the European Union, notably the European Commission, increasingly criticise and even try to prevent EU passport sales. In contrast, the sale of residency visas, also known as golden visas, receives far less attention. In Malta, which runs one of the cheaper golden visa schemes in Europe, the rules around golden visa access are benefitting a range of local actors – notably law and tax service firms, as well as real estate developers – with very limited trickle-down effect to the broader community in terms of income. According to a [report](#) presented by then Citizenship Parliamentary Secretary Alex Muscat, over three years, Malta's residency visa programme generated fewer than 150 jobs in the country – where the unemployment rate is already low. However, from the number of visa applications we know that it created a demand for thousands of residential units, since buying or renting a property is a requirement for the golden visa. In contrast to other Southern European countries, where similar schemes were initiated to prop up their crashing real estate markets during economic downturns, the Maltese real estate sector was [already overheating](#) at the time when the golden visa was launched, and it is increasingly unaffordable for the residents. The minimum threshold for the golden visa is in the range of the largest rental segment in Malta, and our data shows that very few visa buyers went for more than the minimum.

This report, written by the Daphne Caruana Galizia Foundation and supported by Transparency International, looks at the national and local impact of the golden visa programme (the Malta Residence and Visa Programme, MRVP, and its successor, the Malta Permanent Residence Programme, or MPRP), focusing on the actors that benefitted the most. From active ruling party political candidates serving in the responsible agency's board to Chinese companies enjoying privileged access to Malta's government, from offshore structures to landlords finding ways to extract profit both from golden visa buyers and from the booming tourism economy, the golden visa scheme has solidified the power of already highly influential actors. Documentation seen by the Foundation shows that former Prime Minister Joseph Muscat was engaged as a consultant to one company that provides both financial investment and real estate services to visa buyers.

Meanwhile, financial incentives for golden visa buyers to choose real estate in South Malta and Gozo have left some localities disproportionately affected. Coincidentally, communities in these localities are already grappling with the numerous externalities of extractive development. In Żebbuġ (Gozo) golden visa buyers would make up nearly one sixth of the

population if they actually resided there. The fact that systems appear to be structured for absent tenants, that some properties are also holiday homes, that many evidently did not participate in the census, and according to a Times of Malta journalist's [interview](#) with an industry insider, many of them do not reside in Malta. The interview and promotion materials reviewed for this research suggest that they tend to use the Maltese residence permit as an entryway into all of the EU, or as a plan B in case they feel compelled to move their capital or family from their country – a family insurance of sorts. This could mean that they are not using local services and not integrating into the communities.

However, they do leave a real estate footprint, either by removing additional housing units from the already overheated market or by encouraging more trading in housing units, as it will be confirmed by statistical analysis later in this report. We spoke to a local activist campaigning against the negative externalities of over-development, who links housing demand to environmental destruction, encroachment of private properties on public spaces, a burden on faltering infrastructure, and a visual transformation of local landscapes. The overall growth of the population, digital nomads and especially tourists using the platform economy most likely exert more pressure on housing, but visa buyers contribute to transforming homes into profit-driven investment, and they are attractive tenants as their liveability requirements are minimal.

These findings are based on exclusive data shown by sources: a dataset of the Maltese golden visa applications (2016-2021), which contains their addresses, a series of bank statements, as well as concession contracts obtained upon an FOI request. A public interest assessment was performed by the Foundation team, and it was resolved that unless any of the visa buyers appear to be politically exposed persons or convicted criminals, their private information will only be used in a generalised form. Seven verified politically exposed persons (PEPs), one criminal suspect and one sanctioned individual were identified in the applications dataset – for some of them the outcome of their application was negative or unavailable in the data.

More than the individual buyers, this report focuses on the enabler industries and the politics of creating the golden visa scheme. The project team offered named individuals and entities implicated in some of the issues discussed in the report a right to reply.

Public Interest

The Daphne Caruana Galizia Foundation supports Maltese newsrooms in their investigations and carries out investigative journalism projects. We believe that it is in the public interest to bring the web of connections around the golden visa scheme into the open, to critically analyse the networks of actors who have benefited, and to provide an evidence base to the communities that feel shortchanged by being promised welfare and offered over-development instead. Furthermore, the EU's latest anti-money-laundering directive (Directive 2024/1640) calls for "Member States whose national law enables the granting of residence rights in exchange for any kind of investment [to] put in place measures to mitigate the associated risks of money laundering, its predicate offences and terrorist financing".

An entire article in the directive is dedicated to investor residence schemes, and once transposed, it will require, among other measures, "obtaining information on the source of funds and source of wealth of the applicant" and "periodic reviews of medium and high-risk applicants". Moreover, once transposed, the directive will require countries such as Malta to

publish the number of received applications and of applicants' countries of origin, the number of residence permits granted or rejected, the reasons for such rejections and "any evolution detected in the risks of money laundering, its predicate offences and terrorist financing associated with the granting of residence rights in exchange for investment". Currently, such information can currently be only pieced together from parliamentary questions, information from sources and occasional government statements. In a statement responding to this research, the Residency Malta Agency mentioned a study on the scheme, which it said was being developed at the time of writing. With the report we hope to enrich the evidence base for this endeavour and further research, alongside offering several policy pointers. With the wealth of the data analysed, we have opted for publishing a longer report rather than a single media story.

In 2022, the European Parliament adopted, with overwhelming cross-party support, a [resolution](#) stating that the Parliament considers investors' fast-track access to EU residency to be discriminatory, and that "the contribution of [citizenship and residency by investment] schemes to the Member States' real economy is limited in terms of job creation, innovation and growth. The Parliament also demanded that the Commission proposed regulation to "comprehensively regulate" investor residency schemes "with the aim of harmonising standards and procedures and strengthening the fight against organised crime, money laundering, corruption and tax evasion" and to "dissuade Member States from establishing harmful [residency by investment] schemes".

This report is being published after the 2024 European Parliament elections, and a new European Commission is expected to deliberate on how to proceed on contested matters like access to EU citizenship and residency. In the 2022 [resolution](#), the European Parliament demanded an end to the sale of citizenships (golden passports) and strict regulation of residency by investment (golden visas), showing that the two are treated as separate matters. In this report, we focus on golden visas only, striving for transparency throughout the golden visa 'supply chain'.

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Introduction

In March 2022, in response to Russia's full-scale invasion in Ukraine, an overwhelming majority of the European Parliament voted on a [resolution](#) claiming that citizenship and residency by investment schemes "inherently present a number of serious risks and should be phased out by all Member States". Only 12 members of the EP voted against it – a third of them Maltese. The EU's legislature called for "strict and binding regulation" of golden visa intermediaries and "comprehensively regulat[ing] various aspects of [residency by investment] schemes". But while citizenship by investment has come under legal pressure, residency schemes are subject to less scrutiny from policymakers.

Recent [academic research](#) suggests that golden visa schemes are also known as "investment migration programmes" or "immigrant investor programmes", but it is important to emphasise that golden visas are not immigration schemes – at their core, they are policies to attract foreign direct investment (FDI). This is evident in a concessionaire contract analysed by the Foundation: the concessionaire is appointed to market and promote the Maltese golden visa regulations "with the stated objective of attracting foreign direct investment". A [2020 academic study](#) showed that "long-term quality of life variables, such as education, crime, and pollution, are not significant" for golden visa buyers.

There are [multiple definitions](#) of golden visas, but the common elements among them are:

- requirements are mostly financial;
- investments are mostly passive (these schemes do not target entrepreneurs who want to be actively involved in their business);
- residence is transactional;
- presence in the country can be minimal.

As it will be shown later, the Maltese golden visa is pitched to investors as a good bargain in the competitive golden visa market and a safe "plan B" for people who want to move their capital and/or family abroad (one of the agent companies even adds "pro business government" as a benefit). While other countries set up golden visa schemes in response to a crisis or to support strategic interests, Malta's golden visa is designed to attract money to already booming and influential sectors. Law firms and tax consultants benefited by registering as agents; real estate owners could offer their property for rent – but for this they needed to be sufficiently linked to gatekeepers (agents).

Since 2021, a built-in requirement for visa buyers to donate to a non-profit could have been an element of a trickle-down policy, but the lack of transparency in the way the donations are distributed leaves it in the hands of gatekeepers (agents) to direct applicants to registered non-profits. Although in 2023-2024 applicants donated to established non-profits, we found no evidence of any safeguards against directing these funds to astroturfing or politicised non-profits, and Residency Malta Agency confirmed to us that it "does not get involved in the applicant's choice of NGO, as long as it is duly registered with the Commissioner for Voluntary Organisations".

In an effort to lift this scheme's veil of opacity somewhat, the Daphne Caruana Galizia Foundation compiled exclusive information shown to the research team by sources, publicly available information, and expert insights to offer the most comprehensive analysis of the

visa scheme to date. The objective of this research is to create awareness of the impact the golden visa scheme has had on society. The **methodology** encompasses analysis of the aforementioned data sources – attempts were made to confirm information from sources with information on databases available to journalists, and in public sources. The distribution of nationalities in the dataset matches official information published via intermediaries.

The dataset include a large sample of applications from 2016 to 2021¹ (used here mostly in a generalised form), transaction data of one of the companies involved in the scheme, as well as correspondence and files from a golden visa scheme concessionaire. Publicly available sources include research reports, parliamentary questions, statistics, academic and NGO articles, media reporting, government data and other quantitative and qualitative sources. A statistical analysis on the impact of golden visa buyers' real estate dealings on the property market was also performed.

Property is central to the Maltese golden visa. As we will show in the subsequent chapters, this is not essential and some EU countries run their schemes based on different contributions. Data also reveals how Malta does not appear to be attracting high-net-worth residents to live on the islands with this scheme. A leaked document from one golden visa scheme concessionaire, which lays out property-related agreements between the company and its visa-buying clients, shows that the company commits to ensuring that the property remains compliant with the golden visa requirements, keeping it in a good standard “therefore minimizing liability”, monthly cleaning, inspection, record maintenance, key holding, and redirection of mail. There are grounds to believe that this content of property services is not atypical, and participating companies have optimised their offer for clients who are interested in meeting the formalities rather than finding a home in Malta.

Time and again, various golden visa promotion materials highlight that compared to work or education visas, golden visas are “easy” and apart from paying the money, investors do not have to do anything – not even live in the country. In a [video](#) targeting Indian nationals, an immigration advisory firm representative explains that during the COVID-19 pandemic many Indians “realised the problems we [residents of India] are facing” and wanted a plan B. Hong Kong residents with sufficient means [look at golden visas](#) to mitigate the risks relating to crackdowns there.

To make sure that affluent clients have a smooth and unburdened experience, immigration service providers have come up with service packages that are similar to their offerings to passport buyers. Our analysis of immigration company websites and videos shows that many work within multiple countries, so residency in Malta is one of their offerings in the endlessly customisable supply of ‘plan B’ options. However, despite the demand, Lucia Bockova, writing in [The Journal of Cross-Regional Dialogues](#) in 2023, hypothesised that “the golden visas and golden passports of EU Member States are in crisis and that their existence is threatened.”

In the following chapters, we will summarise available information on the way Malta's golden visa was set up and outline its entire ‘supply chain’. Some of the evidence on low transparency, alleged undue influence and revolving doors appears to support the concerns expressed by the European Parliament and others. Chapter 2 presents our analysis of the visa buyers' origins and behaviours. Chapter 3 then shows that, especially at current prices, golden visa buyers compete with average residents and participate in the trends pushing

¹ The Residency Malta Agency stopped processing new applications on 26 March 2021.

over-development on the islands. Chapter 4 places the Maltese scheme in the broader European context, where Southern European golden visa countries are removing the property pathway to EU residency, and Western Europe appears to be doing away with golden visa schemes altogether due to integrity risks.

The Daphne Caruana Galizia Foundation supports Maltese newsrooms in their investigations and carries out investigative journalism projects. The work builds on the Foundation's successful [Passport Papers](#) project, years of experience in finding the right balance between ethics and the public interest while working with unpublished data shown by sources in confidence, and, most importantly, the trust whistleblowers and sources put in the Foundation. The project team hopes that additional transparency and a comprehensive analysis of available data will enrich public debate and, potentially, offer an evidence base for reforms.



Above: Letterboxes at a development popular with golden visa buyers in Gozo. Research findings suggest that many visa buyers register their addresses in average residential complexes, competing with local residents. *Photo: Joanna Demarco.*

1. The Making of Malta's Golden Visa

“The programme will be giving an even larger push to the property industry,” [said](#) José Herrera, at the time Parliamentary Secretary for Competitiveness and Economic Growth, when launching the golden visa programme in 2016. The Residency Malta Agency, which was set up to manage the scheme, [listed](#) the benefits that should attract applicants, mentioning among them the “right to...penetrate Malta's affordable real estate market”. Several strategic components became interlinked in the scheme: a further boost to the already heated real estate market, further strengthening of relations with China, and, as the

findings of the research show, distributing slices of the scheme's benefits pie among the local and international actors.

In a speech in 2013, just after the change of government which brought the still-ruling Labour Party to power, Chris Cardona, the economy minister at the time, mentioned intended reforms of an existing permanent residence scheme, to be based on real estate investment. "This Government is aware that there were a growing number of wealthy people, among them Chinese, looking to invest in property in Malta," he said, promising a consultation with stakeholders and a reform "to give an injection of new capital from abroad".

In 2017, the Malta Residency Visa Agency was established. The following year golden passports and golden visas were separated: Identity Malta, Malta Residence & Visa Agency (MRVA) and Individual Investor Programme (IIP) became three separate agencies. In 2021, the relevant entity became known as Residency Malta Agency. A concern was [raised](#) when separate agencies were set up for the sale of passports and the sale of visas, and there were no public calls for the heads of these new entities.

The latest [rule of law report](#) by the European Commission states that "concerns remain regarding the extent of integrity measures applied to persons of trust" (political appointees) and that "in 2019, the President of the Republic announced his intention to launch a Constitutional Convention to address issues regarding the appointment procedures of bodies", but did not follow through and this did not happen. The political system in Malta is [known for](#) "nontransparent lobbying, undue influence, and an opaque relationship between the public and private sectors", and marked by "lack of appropriate supervision and enforcement of rules on lawmakers' declarations of assets, interests, and outside activities." In this context, the general public lacks credible information on how governing bodies are created and their leaders recruited.

As it will be presented below, government officials, from the dedicated agency and beyond, were highly involved in the promotion of the scheme. It is important to note that the scheme was reformed in 2021, and our applications data only refer to the pre-2021 period.

1.1. Offshores, PEPs and Privately Paid Civil Servant Travel

The legal framework for the golden visas was prepared in 2015. The golden visas scheme is provided for by Subsidiary Legislation [188.05](#), [217.18](#) and [217.40](#) of the Laws of Malta. The laws outlined the main actors relevant in running the golden visa scheme, who act as promoters and gatekeepers. First of all, a dedicated agency. Moreover, there was to be a list of regional concessionaires, selected by a public tender, to promote the scheme and recruit interested applicants. Finally, entities already active in financial and business services could become licensed agents, as presented below.

Transparency International's chapter in Spain analysed a similar golden visa programme in the country, and the team's [report](#) concluded that residence visas can theoretically benefit countries when they lead to entrepreneurial investments and job creation, but in practice they often bring about kleptocracy, money laundering and security risks. "Added to this are the risks that arise from complex corporate schemes and international economic transactions, along with the high number of intermediaries, facilitators and multiple public agencies and bodies that involve such investments. All of this creates a scenario of risks that entail a major challenge in terms of regulation, coordination and implementation," TI

Spain noted. In Malta, many risks resulted from the latter factor – **lax or absent regulation** on complex intermediary networks and their political links.

As an illustration, in 2020, Malta's consul to Shanghai, Aldo Cutajar, was arrested and charged with money laundering together with his wife Isabel for the compilation of evidence against them. Prosecutors found a list of names and passport numbers, alleging that the couple derived illicit profits through Chinese visa sales. Payments from Chinese clients were allegedly channelled through Isabel Cutajar's design business, Gemini Design Studios, registered in Cyprus. The couple pleaded not guilty and the case was ongoing at the time of writing.

Government Authority

As mentioned above, the managing agency was established in 2017 – by then regional concession contracts had already been distributed. Below are some of the cases concerning the lack of transparency in the agency's procedures, as well as cases of revolving door:

- As [reported](#) by the Shift News, Residency Malta Agency hired Charlon Gouder as a consultant, and a week after stepping down from that role he became a licensed agent for the golden visa at Destination Europe – Gouder has also worked as [former prime minister Joseph Muscat's lawyer](#).
- Jonathan Cardona, removed from his other government job, was [hired](#) as Residency Malta Agency's CEO, as reported by the Shift News.
- It was also [reported](#) that in 2015-2020 Malta Residency Visa Agency donated 5,000 euros to Marigold Foundation, the charity of former prime minister's wife, Michelle Muscat. A company linked to licensed agents (see below) also directed visa buyers' donations to the charity. It is unclear how agencies choose the charities to support.
- A couple of years into the running of the scheme, Malta Residency Visa Agency's CEO Roderick Cutajar [left his post](#) in January 2019 to set up his own company working with golden visa clients together with Mao Haichun. "I was privy in 2016 to set up and manage the Malta Residency Visa Agency at the time, so, you know, we still continue, of course, to push this programme internationally," Cutajar says in a [promotional video](#) for his company's services. The applications dataset shows that his company, immVest International, had the fifth-largest Chinese market share. Company documents filed with the Malta Business Registry show that Cutajar once attempted to transfer directorship of the company to his daughter but reversed the decision. During its first year of operation, the company also [became](#) a sub-agent for the Montenegro citizenship programme.

During the campaigning season for the European Parliament election in 2024, two ruling Labour Party's candidates served on the agency's board. One of them, Daniel Attard, won one of Malta's six EP seats and subsequently resigned from the board. His [declaration](#) of interests shows that apart from this agency, he worked as an officer at the Ministry for Foreign Affairs and European Affairs, was a Legal Adviser at the Ministry for Justice Malta, and board member at Interconnect Malta, along with his other roles. In a reply to our questions, his assistant stated that "Dr. Attard was appointed to the board in June 2022", that "Dr. Attard served on an advisory, non-executive board for the entity, which was not

vested with any decision making powers”, and that he did not receive any campaign support from entities or individuals linked to the scheme.

The public sector contribution paid by visa buyers is channelled to the National Development and Social Fund for allocation to projects. The Shift News has [reported](#) that these allocations happened without established policies and criteria and the fund reportedly also failed to submit audited accounts.

Key Intermediaries – Concessionaires

Private companies were contracted to promote the scheme in target markets. Their concession contracts also cover recruiting applicants. These central actors are called concessionaires.

For their selection, the economy ministry had issued a request for proposals and appointed Joseph Cuschieri as the Chairman of the Evaluation and Adjudication Committee (EAC). Cuschieri also served as the Executive Chairman of the Malta Gaming Authority and later the Malta Financial Services Authority. Shortly after making the transition between authorities, Cuschieri [took a trip](#) with casino owner Yorgen Fenech. In 2020, an internal ethics probe [found](#) that Cuschieri had breached his authority's guidelines, but Cuschieri [went on to lead](#) another government agency.

Another EAC member, William Wait, was [reported to hold conflicting roles](#) in over a dozen of private companies. Politicised appointments to the entity in charge of golden visas continued, as [reported](#) by the Shift News.

As revealed by a concession contract obtained by the Foundation, concessionaires would be expected to pay for government officials' travel when concessionaires requested a government representative to participate in promotion of the scheme. Furthermore, organising conferences and events, where high-ranking government representatives would be invited, was also among the concessionaire's duties.

4.2.3 to pay for all expenses including travel and accommodation in accordance with the Public Service Management Code of the Malta Public Service should the Concessionaire request the services of the GOM to promote and market the Regulations..It shall be in the absolute discretion of the GOM to assign its members for such services.

Above: Excerpt from a concession contract. *Source: Responses to Parliamentary Questions PQ12356 to PQ12359.*

The government would refer inquiries from the target region to the concessionaires.

The concession contract on services in China was signed a month after the dedicated committee evaluated the concession bids. The concessionaire had four weeks to draft a concept paper, but in the meantime, two days after the signing of the contract, the golden visa programme was officially launched. Our FOI request for the concept paper was rejected.

The China-registered Shanghai Overseas Chinese Exit-Entry Service Co Ltd (SOCEES) became the concessionaire for China during the time that the Maltese government was seeking closeness to China in energy matters. The [2016 budget speech](#) reflects that, calling

Shanghai Electric Power a “strategic partner”. As [reported](#) by MaltaToday, the electricity company was linked to other strategic investments between Malta and China, notably in the energy sector: “The Chinese negotiator in multi-million euro deals by Enemalta, Cheng Chen, directly influenced Malta’s residence visa programme (MRVP) in the months prior to an open market call for concessionaires, which his company Shanghai OC secured.”

SOCEES, in one of its websites ([archived copy](#)), praised the advantage of Malta’s visa conditions: “loose application conditions” “no need to prove the source of assets, no education, age, or language requirements.” In 2016-2017 and the first half of 2018, the government [reported](#) that the Maltese Ambassador in China addressed 35 promotion forums for the golden visa.

In an [investigation](#) by the Times of Malta, which the Foundation supported, industry sources said that licensed agents linked to the Delsk Group (see below) lobbied former prime minister Muscat’s government to terminate the 2016 concession contract with SOCEES. The contract had meant that rival companies had to pay the concessionaire a €10,000 cut on every Chinese applicant they processed. In response to the Times of Malta’s questions, Muscat said he was “never lobbied by anyone in connection with the contract”.

The concession was not extended after 2021. Searches in a Chinese corporate database revealed SOCEES was deregistered and filed for bankruptcy in September 2020. Searches showed that multiple clients previously sued the company for failing to successfully process immigration applications after charging high intermediary fees. Publicly available judgements show that the company lost at least eight cases. After several plaintiffs won their cases in court, the company had no assets available to continue its operations.

In August 2016, “Service Concession” agreements between the government and the Malta-registered company Discus Holdings Limited for the promotion of the visas programme in Turkey and in Russia were signed. The majority of the company’s shares are held by Discus Worldwide DMCC in Dubai, and the company is also a licensed agent (see more on the agents’ role below). Our data show that Discus Holdings has worked with Indian, Iranian, Iraqi, Libyan, Nigerian, Russian, and Turkish applicants. A similar contract for the promotion of golden visas in South Africa was awarded to Henley & Partners – their Maltese branch was also owned via the UAE. But months before, still in 2015, one of Malta’s leading rental agencies, Frank Salt Real Estate, [sent](#) its representatives to South Africa to promote the golden visa, alongside EMD Advisory and Joseph Portelli’s PenderGardens.

The government also signed a Service Concession Agreement with BT International Limited for the promotion of the visa programme in the Middle East. As [reported in the media](#), this company allegedly had agreements with SOCEES, the concessionaire for China. Payment data seen by the Foundation shows that BT International also received payments linked to visa applicants from Hong Kong Qian Cheng Business Co. Ltd, which was not only linked, via its corporate structure, to licensed agents but also acted as applicants’ financial mechanism institution, handling their investment.

Malta-registered Wahaat Services Limited was, until 2018, owned by Nexia BT Holdings Limited and BT International Limited (the latter owned by the former), whose ultimate beneficial owner is Brian Tonna. Together with Karl Cini, who was Wahaat’s secretary until 2018, Tonna is facing [trial](#) for corruption, fraud and money laundering since charges were filed in 2021. In 2017, Daphne Caruana Galizia [reported on her blog](#) that Wahaat launched the sale of golden visas in an exclusive event in Dubai with Roderick Cutajar, then head of

Identity Malta, at the time in charge of the golden visa programme, in attendance. Remax, one of the leading real estate agencies, was a co-organiser of the event. In 2018 the companies transferred their Wahaat shares to Oliver Said, who co-owns registered golden visa agent company Agenzija Endevio Ltd with Bei Tang and Neville Sant.

Oliver Said and Bei Tang spoke at a 2023 “Meet Malta” [event](#) in China, with MP Alex Muscat in attendance. Said is described as an investor, lawyer, and asset manager, while Bei Tang is described as an accountant, without mentioning that they are owners of the same golden visa company. Alex Muscat is described as the author of Malta’s golden visa legislation. Muscat did not reply to our request for comment.

A concessionaire contract seen by the Foundation shows that instead of being paid for services by the government, the concessionaires receive fees from successful golden visa applicants.

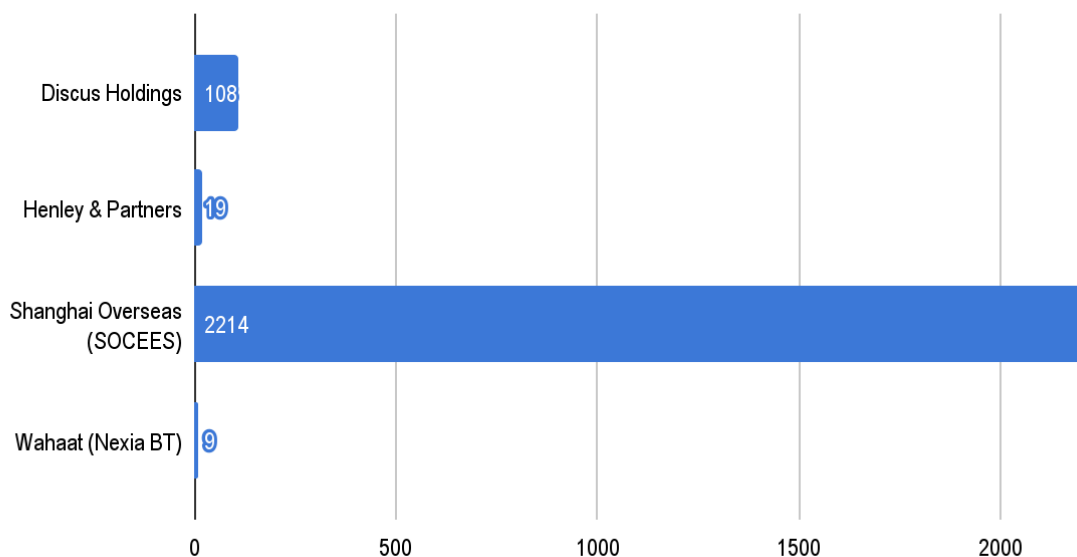
- I. GOM shall not, generally disburse any funds and/or remunerate the Concessionaire for its Services described herein, unless as otherwise provided; instead the Concessionaire will receive its remuneration herein established from the Contribution paid by successful applicants under the Regulations;
- J. The Service Fees payable under the Concession Agreement shall comprise of a marketing fee, per successful applicant who is resident or domiciled in the People's Republic of China;
- K. The Concessionaire shall bear the economic risk of incurring the upfront and ongoing costs and expenses relating to the Services described herein;

Above: Excerpt from a concession contract. *Source: Responses to Parliamentary Questions PQ12356 to PQ12359.*

Our data shows that SOCEES recruited the lion’s share of the applicants. Henley & Partners, active in the sale of Maltese citizenship, was linked to only a handful of applications. Nonetheless, the company’s data revealed to the Passport Papers project showed that the company thoroughly prepared for being the scheme’s intermediary. The company’s response to the findings that emerged from the investigation can be found on the [Passport Papers project website](#). The aforementioned BT International Limited processed 110 applicants in our sample (89 of them were Chinese).

Accepted Applications per Concessionaire

Chart 1: Distribution of accepted applications (excluding dependants) per concessionaire, 2016-2021

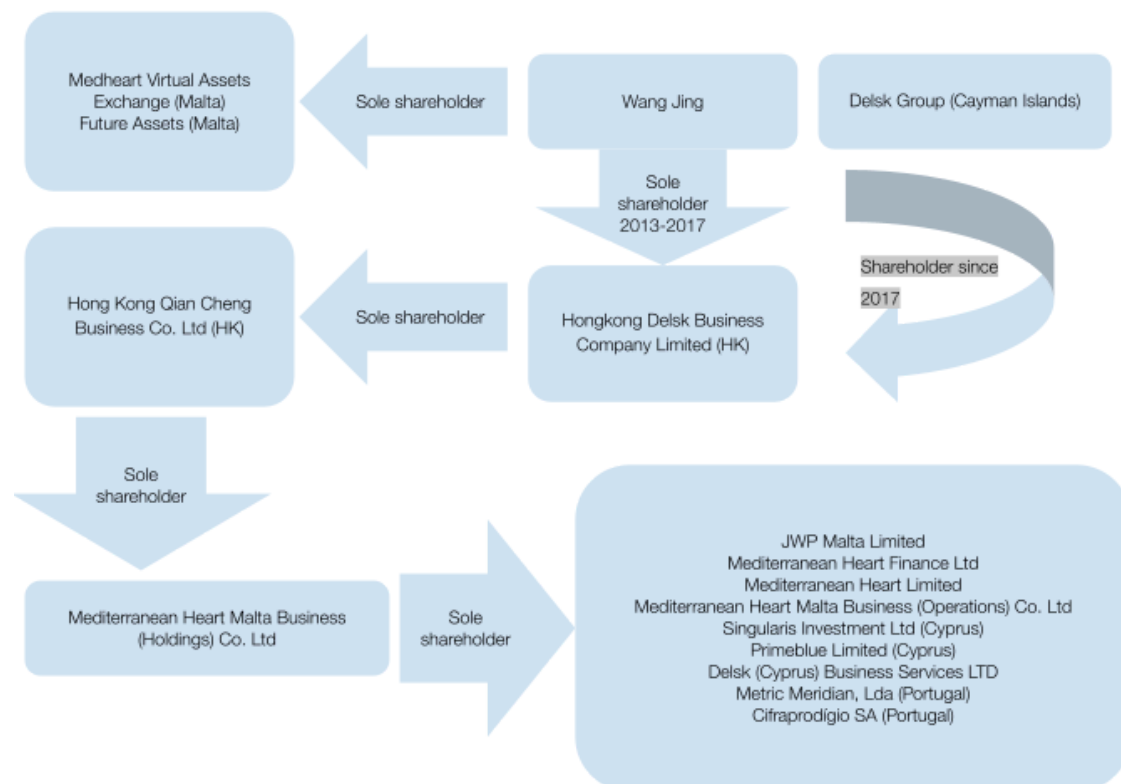


Upon the reform of the programme in 2021, concessionaire contracts were terminated and licensed agents took over the marketing duties.

Licensed Agents

The applicable laws stipulated that a licenced agent can be “a public accountant or auditor, a lawyer, or a financial advisor duly licensed by a competent Authority, after attending training organised by the Agency” and meeting other requirements. An up-to-date list of agents is published on Residency Malta Agency’s [website](#). Having reviewed the relevant legislation, communication and FAQs, we did not find rules on conflict of interest, and no exclusion of politically exposed persons (PEPs), many of whom work in these professions.

Although analysing the full list of licensed agents for political connections was beyond the scope of this research, we took a closer look at those with the largest market share (see Chart 2 below). Mark Hyzler, a sole practitioner as a golden visa agent, had the largest market share during the period analysed. His name also emerged in [reporting](#) by the Times of Malta, as he represented companies linked to Cypriot national Wang Jing, indicted in Cyprus over corruption allegations. When asked by the newspaper, Hyzler explained that he acted as a local agent to golden visa applicants referred by companies linked to Wang, but “he has never represented Wang or Delsk [Wang’s company] in Cyprus and has absolutely no involvement or knowledge of his/its operations there.”



Above: Using corporate filings in Hong Kong, Malta, Cyprus and Portugal, we have reconstructed a part of Wang’s business. This is not a complete list of companies where Wang and his assets own shares. Sources: Registries in Cyprus, Hong Kong, Malta and Portugal. Wang Jing and Delsk (Cyprus) Business Services Ltd are subject to the indictment in Cyprus.

Filings in Hong Kong show that the latter company’s sole shareholder since March 2017 is Hongkong Delsk Business Company Limited. That company was founded in 2013 with Wang Jing as its sole shareholder. Wang transferred his shares to Delsk Group in the Cayman Islands in 2017, weeks after setting up companies in Malta. Hyzler was the secretary of the holding company before resigning in 2024.

Despite reportedly being the selected regional concessionaire’s competitor, the Chinese-owned group of companies under the umbrella of Delsk Group have risen to prominence as facilitators of Chinese investment in Malta. A draft contract, stated to come into effect in December 2020, engages the services of former Maltese prime minister Joseph Muscat as a senior advisor to JWP Malta Ltd, “within the Delsk Group”. The contract specifies that “Delsk has registered a company in Malta, JWP Malta Ltd, to serve as its Government Advisory Services Unit.” The Foundation has also seen a service contract under which Muscat is to provide real estate market research services to JWP. One of Muscat’s duties would be to identify countries developing citizenship by investment programmes and help the Delsk Group position itself strategically.

Incorporated in 2017, JWP Malta is owned by Mediterranean Heart Malta Business (Holdings) Co. Ltd, which is in turn owned by Hong Kong Qian Cheng Business Co. Ltd.

(see the scheme above). Numerous documents seen by the Foundation reveal a complex corporate structure involving all these entities.

A 2017 form, shown by a source to the Foundation, shows that the company's business is stated as "consulting and reception services mainly aimed towards Chinese investors interested in investing in Malta", and the company is linked to Delsk Group as "the group company". A similarly shown document also lists related companies in Portugal, Spain, Greece, and Cyprus.

These company documents identify Cypriot citizen Wang Jing as the UBO of the Maltese companies within the grouping, who had bought the shares of Delsk from Song Dingming (this was confirmed by filings in Hong Kong). Another document shown by a source suggests that Mark Hyzler, the secretary of Wang Jing's companies, also acted as an agent to obtain Maltese citizenship for Wang himself – the application was rejected, but he successfully became a citizen of Cyprus. A document seen by the Foundation and its media partners shows that in 2024 Wang Jing was [indicted](#) in Cyprus on charges "over alleged corruption in the country's 'golden passports' scheme".

Another person indicted in the corruption case in Cyprus is Austrian citizen Josef Friedrich Santin, the owner of Destination Europe, incorporated in Malta, but his LinkedIn profile and CV states that he works for Delsk Group. In turn, Destination Europe Ltd's licensed golden visa agent is Charlon Gouder, who [reportedly](#) was a consultant at the Residency Malta Agency before becoming a licensed agent (revolving door). The only other team member identified on the company's [website](#) is Joseph Vella Bonnici, former head of the agency responsible for the golden visa programme. A financial document shown by a source suggests that Vella Bonnici received payments from several companies in the grouping: Mediterranean Heart Malta Business Co Ltd, Mediterranean Heart Malta Business (Holdings), Hong Kong Qian Cheng Business Co Ltd, and JWP Malta.

Documents show that former Maltese prime minister Joseph Muscat also issued an invoice to Destination Europe in 2021. One document shown to the Foundation by a source reveals that a contract with Muscat was initially attributed to Destination Europe, but its name was crossed out and JWP Malta added. In Cyprus, some of the companies where Santin is director are called JW Rentals, JW Properties and JW Investments.

When asked to explain the corporate structure ("Maltese - Hong Kong - Cayman - BVI), the company's representative explained the reason was tax planning, the documents show. The sources of funds were listed as local operations, as well as funds "from the shareholder company, Hongkong Qiancheng Business Co., Ltd". The latter, according to one document, handles client agreements, whereas Mediterranean Heart handles arrival logistics and JWP Malta handles "property sales and rental". The expected annual turnover was 2.4 million euros. A contract seen by the Foundation shows that JWP Malta leased an apartment to a Chinese golden visa buyer, whose application data can be found on the applications dataset.

As already reported by the Shift News, an invoice JWP Malta was trying to settle with the former prime minister Joseph Muscat also came on investigators' radar. The payment attempts were rejected. "Another transfer of the same amount, in October 2021, to a Belgian bank account held by Muscat was also rejected," – the Shift News [reported](#). In a more recent investigation, the Times of Malta [revealed](#) that "Police investigators are understood to have "intelligence" on Delsk's and Wang's activities in Malta and the payments to Muscat." In response to the reporter's questions, Wang's spokesperson

explained that Muscat played a crucial role in the company's growth and marketing strategies in Asia. Mark Hyzler, who was the group's local licensed agent and secretary of numerous companies owned by Wang and his businesses, said he had never represented Wang or Delsk in Cyprus and has "absolutely no involvement or knowledge of his/its operations there".

Bank records shown to the Foundation by a source reveal that Hong Kong Qian Cheng Business Co. Ltd. made payments for visa buyers' property rentals, and paid consultancy fees to, among others, Joseph Vella Bonnici in 2019. As [reported by the Shift News](#), Vella Bonnici is a former Identity Malta chairman, who then joined the team of Destination Europe together with Charlon Gouder, "who still presents a programme on Labour [Party]'s ONE TV and has numerous government-related jobs and consultancies, was also given a number of contracts as an advisor to Residency Malta", the investigative newsroom reports. Gouder is one of the directors of Aquaculture Resources Limited, which is targeting tuna exports to China.

Visas and real estate are not the full extent of the group's interests. In 2018, Delsk Group was part of a delegation that met the former prime minister Joseph Muscat, then parliamentary secretary Silvio Schembri, and other officials. The meeting was focused on blockchain investment, which Malta was seeking to attract. "Delsk Group provides professional financial services, and acts as a bridge between potential investors from China to Malta," a [press release](#) of the meeting said. It also added that Delsk Group had a team of 30 people and a 10-year presence in Malta. The announcement also noted that three blockchain-related bills passed in the Maltese Parliament on the same day.

Like in Malta, Delsk Group also uses the JWP brand in Ireland, where Delsk was described as a "distributor of a Central Bank-authorized fund called JWP, which invests money from the [golden visa] programme in nursing homes". Specifically, Delsk's Irish operations direct FDI from Chinese investors into building nursing homes — this is one of the possible interventions of the programme. In early 2023, it was reported that only a handful of the Irish golden visa buyers were from countries other than China, which, according to reporting in *The Irish Times*, was "never planned at the outset" and ultimately led to scrutiny and eventual abolishment of the scheme.

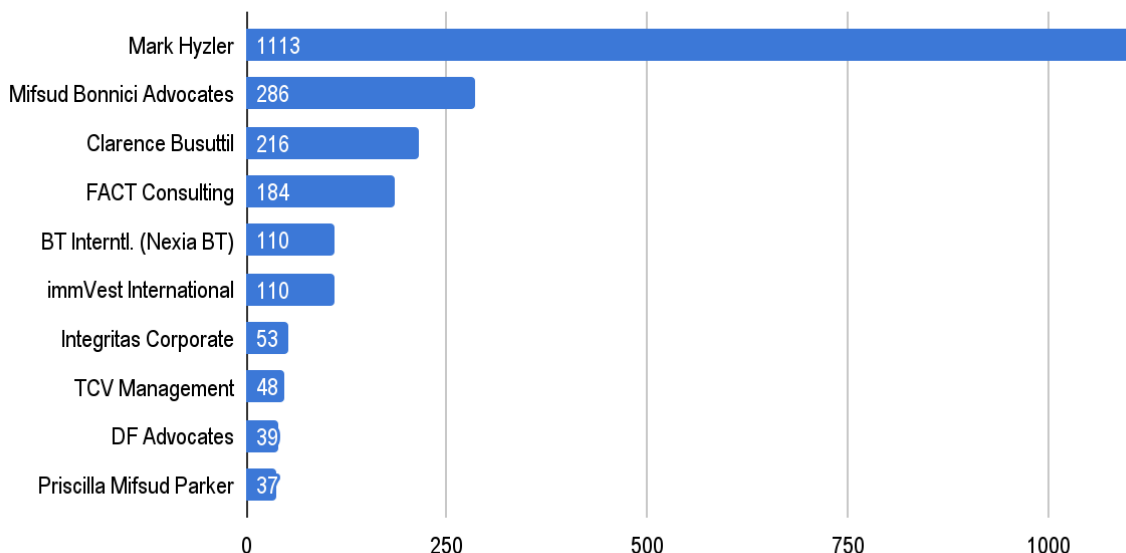
Despite owning companies in Malta, Hong Kong Qian Cheng Business Co Ltd handled payments to numerous landlords directly from the company's bank account in Gibraltar, a document shown by a source reveals. In 2019, Alfio and Josephine Schembri, the parents of Joseph Muscat's former chief of staff Keith Schembri, were among these landlords. It appears that the same financial data was seen and [published](#) by blogger Mark Camilleri in September 2024. In 2021, Keith Schembri was among the people [charged with money laundering and fraud](#) – he, his father Alfio and a number of Keith Schembri's companies are subject to freezing orders. They are contesting the charges and the trial is ongoing at the time of writing.

This grouping is not the only one linked to PEPs and revolving doors. With his business partner Mao Haichun, former responsible agency official Roderick Cutajar (see above) set up a property management company for golden visa clients – immVest Properties Ltd. The background image of Cutajar's LinkedIn page lists real estate, immigration by investment, and business management and advisory as his services. Incorporated in March 2019, immVest International received the "Innovative Company of the Year Award" under the

auspices of the president of Malta merely half a year later. As shown in the chart below, immVest handles the sixth-largest number of applications.

Applications per Agent (Top 10)

Chart 2: Distribution of applications (excluding dependants) by top 10 agent companies, 2016-2021



Speaking to IMI Daily, a website that specialises in investment migration, in 2018, Roderick Cutajar credited agents and concessionaires with creating strong demand for Malta's 'young' golden visa. In the same interview he also said that his trips to roadshows and conferences on such schemes were 'near-monthly'.

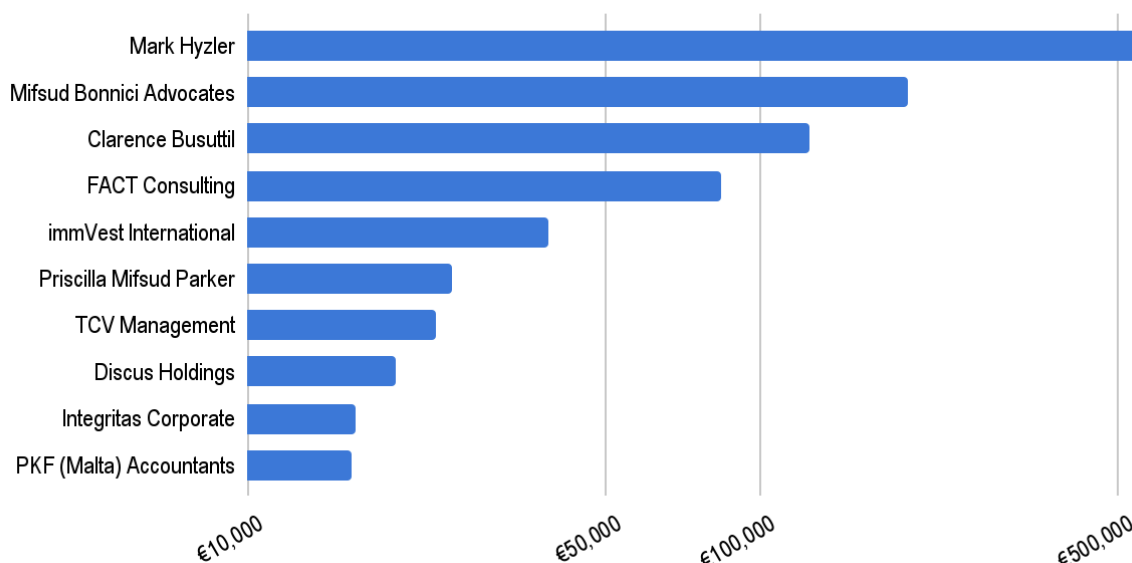
OCCRP has [reported](#) that Cutajar's business partner Mao Haichun's older brother is Mao Haibin, who controls several companies, including SOCEES, the golden visa concessionaire. Roderick Cutajar told reporters that immVest was not linked to SOCEES. Our questions to SOCEES by email remained unanswered at the time of publication. Searches in the Chinese corporate database showed that this company was deregistered and filed for bankruptcy in September 2020.²

Using agent fee information, we have calculated the top 10 agents' revenue – the calculations may be incomplete as the document is a snapshot in time, but they cover the period of 2016-2021. In the light of the European Parliament's call for transparency of golden visa intermediary ownership, we consider this to be in the public interest.

² (2020) Hu 03 Po 275 Civil Ruling

Top 10 Agents by Revenue

Chart 3: Top 10 agents sorted according to revenue, on a logarithmic scale, 2016-2021



Some licensed agents (those with a smaller market share do not appear in the graph above) have ownership structures extending to offshore jurisdictions of Jersey (Stonehage Fleming Malta and Latitude Consultancy Malta Ltd), Isle of Man (Sovereign Services, Boston Trust and Acumum Services Ltd), United Arab Emirates (Discus Holdings and Henley & Partners Malta Ltd) and Guernsey (Dixcart Management Malta). After the 2021 reform, the agents are also responsible for marketing the programme.

Strengthening influential sectors

According to official sources, the golden visa generated 1 million euros for the government in 2017, over 7.6 million euros for the government in 2018; 9.6 million euros in 2019; 6 million in 2020 and 2021 respectively, and 10 million in 2022. In 2023, the revenues went back to 7.5 million, and were estimated to reach 25 million in 2024.

This revenue was initially placed under the economy ministry (as of 2017), then moved under the Office of the Prime Minister, and by 2021 it was moved to the ministry of home affairs. The expenditure linked to the Malta Residency & Visa Agency was 1 million euros in 2018, it rose to 1.2 in 2019 and 2020, but in 2021, despite a raise in the agency's budget, the programme resulted in only 332,500 euros in expenses. Residency Malta Agency estimates that in 2023, "the programme had a direct economic impact of approximately €55.8 million on the economy, including contributions to the Consolidated Fund and the NDSF, as well as investments through property purchases and lease agreements."

For a sense of scale, the amount of revenues the government makes from golden visas is comparable to under a quarter of government expenditure on COVID-19 related supplies (40 million euros in 2022). The net government income has been substantial and exceeded predictions, but it came nowhere close to helping Malta control its spiralling government debt. The scheme reportedly created 136 direct jobs in the financial services and ICT sectors. Many of the years the revenue exceeded estimates in the budget.

Commenting on a previously similar golden visa scheme in Portugal, Transparency International Portugal [wrote](#), “the role of intermediaries and facilitators [in the real estate sector] stands out, as they operate outside the financial sector and are able to evade the security controls and verification procedures established in national and European legislation”. While in Portugal concerns regarding weak governance stood out, Malta has an extra layer of vulnerability due to, in the words of [Freedom House](#), “nontransparent lobbying, undue influence, and an opaque relationship between the public and private sectors”, and marked by “lack of appropriate supervision and enforcement of rules on lawmakers’ declarations of assets, interests, and outside activities.”

A [joint report by FATF and OECD](#) stated that “Opaque governance structures could also elevate the risk of corruption and bribery” in investor residence or citizenship schemes (RBI or CBI in short), and that “The involvement of intermediaries increases the CBI/RBI programmes’ corruption risk. With only a small number of firms with opaque ownership structures operating in the ecosystem, the risk of corruption is further elevated and the ability of governments to address this risk further complicated.”

To conclude, the government, law firms, accountants and other finance professionals, real estate developers and landlords benefited from the visa programme. Many of the agents are prominent firms, but some are also companies whose ultimate beneficial ownership is hidden in offshore jurisdictions. The private sector actors, from a brief overview, appear to be prone to bundling legal and real estate services for clients.

1.2. **Solution Without a Problem**

In an [analysis](#) for the European Commission, consultants classified Malta’s golden visa with the rental option as “low investment” (along with eight other countries, including Greece and Portugal), and the golden visa with the purchase option as “medium investment” (with three other countries, including Cyprus). “Affordable” is the keyword that describes Malta’s golden visa in a number of promotional, as well as comparative videos about golden visas. It is also promoted as ‘easy’.

In an [investigation](#) published in 2023, Investigate Europe, a cross-border media collective, stated that “while the so-called “golden passports” era draws to a close, golden visas are here to stay.” The investigation analysed two of the golden visa schemes in depth – Greece’s and Portugal’s. For these countries, as well as Spain, one of the motivating factors to set up these schemes was an economic crash in the real estate sector and the desperate rush to attract foreign investment. “Greece is plagued by a debilitating lack of investment in construction and real estate by the forces of the local economy, which were the main drivers of the dynamic sector up until 2010. The financial crisis may be over but neither industry has recovered,” Investigate Europe’s reporters wrote. However, the golden visa in Malta was not responding to a crisis. Still, it was designed to benefit the real estate sector first and foremost.

No Resuscitation was Needed

Similarly to Greece’s and Portugal’s cases, the BBC [reported](#) that Spain set up its golden visa scheme because its property market was hit hard. When disproportionate effects of the scheme on housing affordability in Madrid, Barcelona, Valencia, Málaga, Alicante and the Balearic Islands were identified, Spain started reconsidering the scheme (more on these developments in chapter 4).

Diogo Augusto, a Portuguese journalist who has investigated golden visas, [writes](#) that when the Portuguese scheme was being deliberated, the idea was that other countries were doing it, and Portugal could not afford to miss out on investment. Karina Carvalho of Transparency International Portugal confirmed that like in Malta, it was common for golden visa agents and service providers to offer all-inclusive package deals with real estate actors. In Cyprus, economist Alexander Apostolides explained, “There was a huge pool of non-performing loans linked to real estate. So the idea was, instead of the government or the EU bailing out real estate developers, they sell [their developments]”. He added that golden visa buyers in Cyprus had to obtain their property from a developer rather than a private individual, for example.

Meanwhile, Malta's property market was already overheated when the scheme was set up. As can be seen from a [KPMG report](#) for the Malta Development Association (supported by Property Malta – a public private partnership of this association and the government), the numbers of residential property unit permits and promise of sale agreements experienced rapid and sustained growth between 2014 and 2018, when the scheme was being set up and promoted.

To comply with the [rules](#), the duration of the lease has to be not less than a year, and applicants choosing to rent rather than buy would spend at least 12,000 euros a year – except if they rent in the South of Malta or Gozo, where 10,000 euros per year would be enough. This financial incentive was to direct visa buyers to less overheated real estate markets on the islands. As discussed in Chapter 3, this brought about a number of local implications, including the concentration of visa buyers' addresses in specific localities.



Above: A streetscape in Gozo undergoing rapid, haphazard development. *Photo: Joanna Demarco.*

Conversely, the Irish golden visa was [set up as a job creation](#) and FDI measure when the country was grappling with an economic crisis. The scheme envisaged structured channelling of visa funds into the social sector, notably affordable housing and nursing homes. There have been [media reports](#) of companies active in these areas ending up in trouble and allegedly not complying with Irish law. Universities, too, received funds from golden visa buyers' investment. Due to low transparency, the impact of the scheme's entirety is not known. In Spain, there is a way to acquire a golden visa on the [basis of an entrepreneurial project](#) that benefits the society or scientific innovation, but such impacts would need to be evaluated.

When Malta was setting up its golden visa scheme, other EU countries' intervention logic, as well as golden visas' local impact, were known. The design chosen in Malta was not the only one available. In a 2018 [study](#) commissioned by the European Commission, the consultants noted that residence by investment schemes combined the following investment options:

- capital investment in a company and in credit/financial institutions' instruments: chosen by most countries, but not Malta;
- investment in immovable property: common in Mediterranean countries, which, as mentioned above, were grappling with the economic crisis when setting up the scheme, plus Ireland and Latvia at the time;
- investment in government bonds, practised by some of the countries including Malta;
- donation or endowment of an activity contributing to the public good;
- one-time contribution to the State budget – only in Malta and Latvia;
- non-financial investment: usually creation of jobs, investment in an economically disadvantaged region, or making a strategic investment – this option was not used by Malta.

According to [Malta's statistical authority](#), the NSO, the financial sector attracted the bulk of foreign direct investment (86% of inflows) – nearly 30 times more than transportation, accommodation and real estate as of 2021. IT, entertainment and other high-added-value activities overtook transportation, accommodation and real estate in 2019. The US Department of State, in its report on investment in Malta, [noted](#) that the government seeks to attract FDI in high-added-value sectors such as IT and research. However, this is not reflected, unlike in some other countries, in the golden visa scheme. Unlike, for example, [the French tech visa](#) for global tech talent, Malta's golden visa did not target high-added-value investors and the only criterion was capital owned. Still, despite multiple investment options for golden visa buyers in Portugal, the country's [government found](#) that when given the choice, most went with the real estate option rather than job creation or another kind of contribution.

At the time of writing, a [real estate market crash](#) has been unfolding in China, with the government taking steps to encourage mortgages and home-buying domestically. CNN has reported that “stabilizing the property sector has become a top priority for Beijing”. It is unclear whether steps against capital outflight will be taken. However, the option to sell real

estate in China in order to buy a golden visa in Europe may no longer be an option for upper-middle-class families.

One-Stop-Shops

Leaked emails from a golden visa scheme agent, seen by the Foundation, show how the company was ironing out financial arrangements just when the golden visa scheme was being launched in May 2016. “The Agent must direct all real estate offerings through our Malta office [...] for both real estate management and property rentals/sales,” one email exchange between the company’s international offices states.

A sample agreement with landlords, from the same trove of leaked emails, shows that landlords sign up for an all-inclusive service: the golden visa scheme agent would pay rent and utilities, arrange the monthly cleaning, and take over all communication with the tenant. The service package appears to be formulated with an absent tenant in mind: it offers mail forwarding, inspections and monthly cleaning, with extra services available for presumably rare and ad hoc periods of the client’s presence in the apartment.

A source has shown the Foundation financial documents detailing payments to and from Hong Kong Qian Cheng Business Co Limited (see information on its corporate network in section 1.1.). The documents reveal that this company handled golden visa matters as a one-stop-shop, paying rent for clients, sometimes in bulk (for example, a 2019 payment came with a reference “6 MONTHS RENT FOR 10 PROPERTIES IN GOZO”).

In September, the Foundation’s partner, the Times of Malta, [reported](#) on the business interests of Wang Jing and Delsk Group, Hong Kong Qian Cheng Business Co Limited’s parent company, whose companies assisted Chinese visa buyers with applications in Malta and also engaged in real estate business. Using registries, databases and media reporting, we found that Delsk Group and Wang Jing, declared as its UBO, are active in many golden visa countries: we found real estate companies in Spain, Greece, Malta and Portugal. In Ireland, the group [bought nursery homes](#). Documents show that while Maltese companies linked to the group engaged the country’s former prime minister as a consultant, a substantial part of real estate transactions in Malta were handled using the parent company’s account in Gibraltar. Corporate filings in Cyprus show that the group of companies channelled money earned in Portugal to Hong Kong via Cyprus.

Locally, blending real estate, financial and visa application services also occurs. Statistics based on the applications dataset show that in terms of applications per agent, Clarence Busuttil had the third-largest market share. Clarence Busuttil owns a Hong Kong-registered company named Go2Europe (Hong Kong) Limited. According to its self-introduction online, the company was founded by Busuttil and two of his siblings. Initially, they were engaged in retail and import business. Later, the company shifted to real estate development and management, including real estate services and rental property investment.

The Busuttil siblings owned two companies which are no longer active, BCG Services Limited and B3G Limited. In the applications dataset, these companies are listed as 122 applicants’ financial mechanisms, entities handling their financial investment. Furthermore, our analysis of selected properties used as visa buyers’ addresses revealed that the family owns at least 19 of the qualifying properties, situated in Malta and Gozo. These appear to be housing complexes rented out to multiple visa buyers through this family. We are not suggesting that this practice would amount to any wrongdoing and, as discussed above,

this one-stop-shop approach appears to be common, but this example is further evidence that agent services, financial investments, and property rentals are concentrated in the same hands (in this case – the same family), reducing competition and any potential trickle-down effect on the Maltese economy.

The Foundation's information on the bundled services and calcification between visa promotion, processing and real estate interests is anecdotal and is only pieced together using tools available to the media and civil society. But the pattern of visa intermediary and real estate businesses being in the same hands emerges in the sample analysed here in Malta as well as in other golden visa countries, such as Spain and Portugal. If intermediaries are regulated as demanded by the European Parliament, a fuller picture of these networks will appear.

Inherent Sectoral Risks

In 2021 (which is when our applications' sample ends), the Malta Residence & Visa Programme (MRVP) was replaced by a new programme: the [Malta Permanent Residence Programme \(MPRP\)](#). The change created a two-track government contribution scheme, raising the required public sector fee for all, but especially for those going with the rental real estate option, removed the requirement to purchase bonds, stocks or equity, increased minimum purchase prices without changing minimum rental prices, started requiring a donation to NGOs, and removed the option to demonstrate financial standing by income (leaving only the accumulated capital option).

A list of visa buyers' donation recipients from January 2023 to September 2024 was published in [response to a parliamentary question](#). The table below summarises where the donations went.

Type	Amount donated in euros
Culture	10,067
Food charity	2,000
Medical and social assistance	26,030
Sport	8,150
Total in euros	46,247.00

Above: Distribution of donations from golden visa buyers. *Source: calculations based on a paper laid in response to Parliamentary Question PQ21084.*

The reform further consolidated the trend that the golden visa is a rental real estate investment scheme: although the government contribution required of tenant visa buyers rose, the minimum rent remained unchanged. The applications dataset analysed here shows that real estate **buyers were a small minority** of 7% anyway.

At the time of writing, Residency Malta Agency still markets the MPRP on its [website](#) as offering a “right to...penetrate Malta's affordable real estate market”. That is, although real estate purchase is a cost for golden visa acquisition purposes, the government itself is trying to convince bargain-hunting visa buyers that ownership is a prospective investment, or even the first step ('penetrate') towards more investments.

For their financial investment part, over 300 applicants in the applications dataset chose XNT Ltd as their financial mechanism institution (14 of them were rejected). In 2022, XNT was **fined** in Malta over “anti-money laundering shortcomings”, as “[i]nformation and documentation were at times either not collected or not adequately obtained”, but the fine was overturned as unconstitutional, **citing** a breach of the right to fair hearing.

The European Commission **urged** the member states to act on golden passports and golden visas in 2022, when the issue of sanctions evasion came to the fore. “Golden residence permits issued to Russians and Belarusians under EU sanctions should be revoked. Now more than ever, in the face of war, we must do everything to ensure that Russians and Belarusians under sanctions and those supporting Putin's war of aggression cannot buy their way into the EU,” Commissioner for Home Affairs, Ylva Johansson, said. Malta stopped selling golden visas to Russian and Belarusian nationals.

Already in 2019, the European Parliamentary Research Service **concluded** that the real estate sector as such is vulnerable to money laundering risks. As “one of the oldest known ways to launder ill-gotten gains”, real estate investments provide “a veneer of respectability, legitimacy and normality”. Manipulation of real estate prices, normalisation of large monetary deposits, concealment of kickbacks and corrupt transactions are enabled when transactions formally concern real estate. Even when visa buyers do not intend to engage in such behaviours themselves, they cannot be expected to verify how prices are set when money moves within the network of actors in the golden visa industry – agents, landlords, and various intermediaries.

A **report by FATF and OECD**, based on multiple countries' experience, confirms this concern: “Overall, there has been concern that the benefits of investment have been concentrated among a few actors and sectors rather than diffuse, prompting closer evaluation of costs relative to these benefits.” The report lists several risks relating to the emphasis of the real estate sector: overvaluation (a visa buyer receives excess value back from the seller or landlord), circular profiteering (real estate company buys real estate for low prices, sells it at higher prices to visa buyers, and then rents it from them to return some of their spending back to the investors), payment fraud (simulating transfer of money, as evidenced in Greece), and investment in illegitimate projects. Such fraud further decreases the investment actually ending up in the golden visa country's economy.

All in all, the analysis of the way Malta's golden visa scheme was set up, the actors involved, and the built-in biases towards certain sectors reveals several **risks**, unaddressed at the time of writing:

- Lack of screening for concessionaires' and agents' political links, lack of policy on revolving door;
- Overlap between agents and concessionaires, resulting in blurred roles and potential concentration of power (no longer relevant after the reform);
- Overlap between agent and real estate business interests, which the applicants may find convenient ('one-stop-shop'), but they may imply that instead of looking for homes in a genuine real estate market, applicants are relying on calcified business structures;
- A strong focus on real estate without a clear intervention logic (unlike in Portugal and Greece, the sector did not experience a crisis);

- Finally, lack of research, audits, and publicly available information sources impedes academic and journalistic research, as well as the general public's right to be informed about the way individuals pay their way to reside in Malta.

2. Who Are the New Residents?

The European Commission's [position](#) is that “Investor residence schemes raise inherent security, money laundering, tax evasion and corruption risks for Member States and for the EU as a whole. Russia's aggression against Ukraine has once again underlined these risks.” Furthermore, the Commission considers that investor residence schemes “pose equally serious security risks to Member States and the EU as a whole” as golden passport schemes. Little is known about visa buyers' behaviour before or after residency acquisition. Using the applications dataset shown by a source, we shed light on the scarce available information: their nationalities and investment choices.



Left: Blank nameplates on an intercom at the entrance of a block of flats where golden visa buyers are registered as residents. *Photo: Joanna Demarco.*

2.1. Where They Come From

The dataset of applicants contains 2,567 applications covering 6,033 family members. From these, 1,799 were marked as approved, bringing 2,566 family members to Malta. This is less than [officially declared](#) (in 2022) 2,273 main applicants approved together with 5,303 dependents since 2016. The outcome is blank for some applications in the file. Despite this limitation, it can be seen that the overwhelming majority of the scheme's approved applicants are Chinese (88% in the sample, compared with 87% published by [intermediaries](#) using official data), followed by Russian (2.6%, same as official data) and Vietnamese (2.5%, vs 2.9% in the official data) nationals. In the sample, 9% of the applications were rejected (10% in the official data). There are numerous blanks in the data, and the outcome of some applications is not clear. Still, several trends can be clearly established, and the sample can be considered representative.

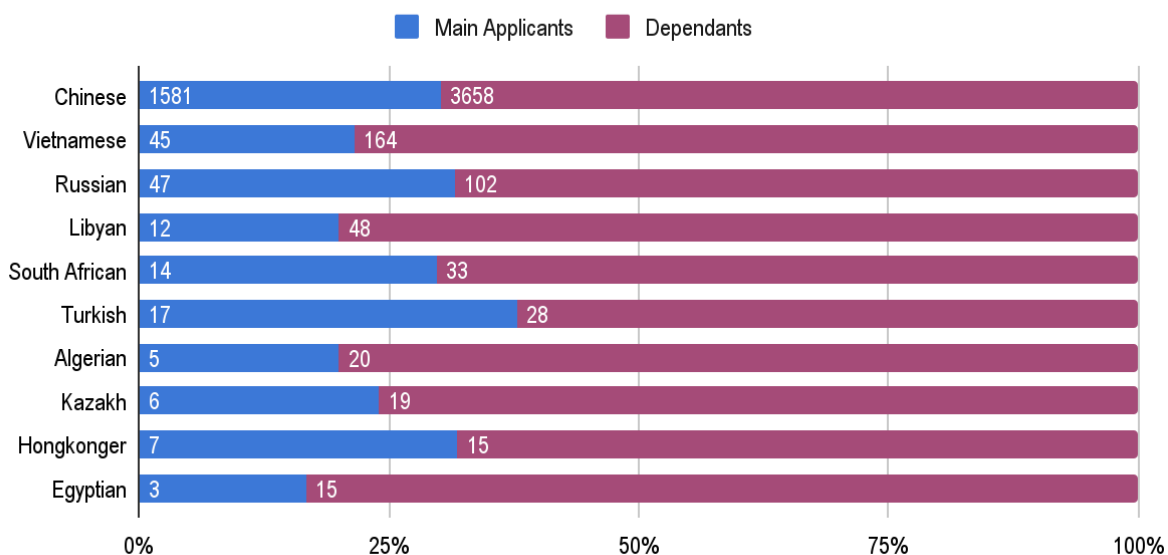
The full scope of the programme has so far been revealed in a piecemeal manner. In a [response to a parliamentary question](#) in 2018, minister Carmelo Abela said that “more than 800” applications” had been handled by the Embassy in Beijing and the Consulate-General in Shanghai. The following year a similar question was asked, and the minister [replied](#) that the golden visa and the sale of passports have caused a “major increase in the workload of both the Beijing Embassy and the Shanghai Consulate-General”, requiring two staff days each week for that. From January to the end of April, the Embassy of Beijing and the Consulate-General of Shanghai had processed 175 applications for the golden visa. Finally, in 2020, minister Evarist Bartolo [answered a similar question again](#), noting that in 2019 the Embassy of Beijing and the Consulate-General of Shanghai processed more than 286 applications for the golden visa. This adds up to over 1,200 applications.

Taking only approved applications into account and summing up successful applicants and their dependents in our sample, it emerges that Malta acquired over 5,200 new Chinese residents, while over 200 new residents were Vietnamese and 149 were Russian. Since early 2022, Russian nationals can no longer apply.

The Maltese golden *passport* programme [excludes](#) citizens of Afghanistan, the Democratic Republic of the Congo, Iran, North Korea, Yemen, Venezuela, Libya, Syria, Sudan, South Sudan, Somalia – but the pre-2021 golden visa had no such nationality restrictions and our data shows that Syrian, Congolese and Iranian citizens did apply. The MRVP's successor [MPRP excludes](#) “nationals from the currently sanctioned countries of (or [individuals who] have close ties with) Afghanistan, North Korea, Iran, Democratic Republic of Congo, Somalia, South Sudan, Sudan, Syria, Yemen and Venezuela, adding that “applications from the Russian Federation and the Republic of Belarus are currently not eligible”. In 2021 (the last year of the data sample), Malta [rejected](#) 40 Syrians' and 15 Lybians' applications for asylum, but it has approved a Syrian family and 12 Libyan families as golden visa buyers.

Accepted Applicants and Dependants

Chart 4: Top 10 current nationalities of accepted main applicants and dependants, 2016-2021



According to the [National Statistics Office](#), there were 185 Chinese students during the academic year 2020-2021 attending Maltese schools. Approved Chinese applicants brought over 2,000 dependents in the year 2019 alone. Furthermore, according to the 2021 census data, there were 2,714 Chinese nationals residing in Malta; among them 674 residing in the region of Gozo (over 1,000 in the golden visas applications dataset). These figures include workers (in 2021, 574 Chinese nationals were workers, [according to official data](#)), spouses of Maltese or EU nationals and other residents, but the numbers captured by the census are much lower than the number of golden visa buyers (applicants and their dependents). Census enumerators visit homes and participation in the census is compulsory.



Above: Golden visa buyers have not brought investment to these properties that serve as their “virtual” residences in Gozo. *Photos: Joanna Demarco.*

Of the Russian nationals who bought a Maltese visa in our sample, some resided in the United Arab Emirates, Switzerland, Kazakhstan, Germany, Latvia, the USA, Spain, or Monaco. A resident of the UAE and Latvia applied with a St Kittian and Nevisian passport (the country offers a golden passport). Fourteen Chinese nationals declared residence outside China and Hong Kong – in Taiwan, New Zealand, Bahrain, the Philippines, the United Kingdom, Australia, the US, Sierra Leone, Thailand, Japan, South Africa, and Canada. In contrast, only one Vietnamese national declared their residence outside Vietnam.

The applications dataset contained 12 applicants who declared already having a residence in various EU or EEA countries – they were Russian, Iranian, Argentinian, Canadian, St Kittian and Nevisian, and Vietnamese nationals. It is not clear what led applicants to 'collecting' residency rights in different countries. Analysis of promotional and comparative materials for the scheme suggest that so-called 'tax optimisation' may play a role, but it could also be that there are various push and pull factors at play: family reunification policies in the other host countries, expiration of visa for a specific purpose, etc. Further research into the visa buyers could clarify their motivations.

2.2. What They Seek

Some information about the types of individuals the scheme is seeking to attract can be gleaned from advertising and informational materials targeting them. Zenturo Ltd has reserved the malta-citizenship.info website, which appears high in search results. The company identifies as providing services to "businesses and high-net-worth individuals worldwide". The slogan they use with the golden visa (they also work with citizenship buyers) is "Security. Opportunity. A Better Life." The website suggests that "[b]usiness executives, affluent citizens, retirees, and freelancers around the world" can use Malta for "international tax planning, and to provide their families with a better quality of life". This and several other websites from the golden visa industry advertise Malta as a safe country with education opportunities for the applicants' children, as well as "unpolluted environment" (although in 2017, Malta's self-reported pollution exposure was the [highest in the EU](#), but this pales [in comparison](#) to the pollution in industrial Chinese cities).

A [dissertation](#) by Kristin Schacherer in 2022 reviewed push factors for Chinese interest in golden visas (with a focus on Portugal) and noted that restrictions on domestic real estate speculation, readiness to invest in their children's international education, desire to secure family wealth, and rising individual wealth contributed to the demand for real-estate-based golden visas among the Chinese. Transparency International [is informed](#) that between 1995 and 2008, Chinese officials used various investment migration programmes to leave with stolen assets.

An academic analysis of Chinese investment priorities shows that the middle class associates real estate investments with security. China's government policies (including taxation and restrictions) against real estate speculation scared them. Investors were even [encouraged by the government](#) to park their capital in real estate abroad and prevent another overheating of the housing market. International education is also gaining popularity in China, so an opportunity to send their children to English-language schools is attractive.

In Malta's case applicants could add multiple generations of dependents, such as spouses, children, even parents and parents-in-law. In our sample of nearly 1,800 approved Chinese

applicants, less than 100 came with no dependents and 77 brought five or more. From under 50 approved Russian applicants, nine had no dependents and six had five or more. In our data, we found 45 approved applications from Vietnamese citizens, and none of them came without dependents – eight had five or more. In the “Meet Malta” golden visa event in 2023 (see section 1.1.), one of the presentations was titled “Accompanying my child to study abroad has opened a second chapter in my life.”

In the UK, [research](#) has shown that rule of law and security of assets were top motivators for investors. “The UK welcomed Russian money, and few questions – if any – were asked about the provenance of this considerable wealth,” the UK’s Intelligence and Security Committee of Parliament noted in a damning 2020 report. “A large private security industry has developed in the UK to service the needs of the Russian elite, in which British companies protect the oligarchs and their families, seek *kompromat* on competitors, and on occasion help launder money through offshore shell companies and fabricate ‘due diligence’ reports, while lawyers provide litigation support.”

Alexander Chance of TI Ireland also suggests that in addition to rule of law, English-language schooling and property factors, the Common Travel Area between Ireland and the UK was another benefit in the eyes of Chinese investors in Ireland. Malta, in turn, is a member of both the EU and the Commonwealth of Nations. Both Ireland and Malta are militarily neutral (not NATO members), which may be attractive to some investors amid geopolitical tensions.

2.3. Risky Cases and Jurisdictions

In the applications dataset, there are three Chinese individuals who failed the police clearance, compulsory for the Maltese golden visa applications. They had all passed the National Identity Management System (NIDMS) check and the initial passport world check. Without police clearance, their applications were rejected. In our sample we also identified a handful of PEPs, of whom some were rejected. For the approved PEPs in our sample, we did not find evidence of wrongdoing or unexplained wealth. This suggests that due diligence mechanisms have so far filtered out a number of risky applicants. In China, we could not find a list of PEPs to compare our sample against beyond databases like Thomson Reuters World Check.

In their investigation of the Portuguese and Greek golden visa schemes, Investigate Europe used the Basel AML index to point out that citizens of jurisdictions with a high money laundering risk get privileged access to the EU thanks to the golden visa. It was a concern to the reporters that half of the Portuguese visa buyers came from the top 30 high-risk jurisdictions. We replicated their methodology and found that, whether or not we include dependents, visa buyers from the top 30 high-risk jurisdictions according to the Basel AML ranking constitute over 91% of Malta’s golden visa buyers.

This is mainly driven by the dominance of China among the visa buyers, and a cutoff point that excludes China would result in a much lower percentage. Still, using a methodology consistent with Investigate Europe’s shows that by far more individuals from high-risk jurisdictions buy visas in Malta than in Portugal. This calculation is only based on citizenship and there is no evidence that a substantial number of applicants engaged in money laundering, but there is a lack of scrutiny of their wealth.

The EU also keeps a [list of non-cooperative jurisdictions](#) for tax purposes. These countries at the time of writing were American Samoa, Anguilla, Antigua and Barbuda, Fiji, Guam, Palau, Panama, Russia, Samoa, Trinidad and Tobago, US Virgin Islands, and Vanuatu. There were 47 approved applications from Russia (149 new residents, including dependents). The following countries were undergoing a screening process and had pending commitments at the time of writing: Armenia, Belize, British Virgin Islands, Costa Rica, Curacao, Eswatini, Malaysia, Seychelles, Türkiye, Vietnam. In total, Malta gained at least 264 residents from these countries (territories without a separate nationality are not included).

The **popularity of golden visas among nationals of high-risk jurisdictions** was a concern in the UK while the golden visa was still being sold. “We had concerns just looking at the nationalities that were making use of it,” Transparency International UK’s Ben Cowdock explained. “You had a situation where the Home Office thought that because money was being invested by banks, banks were carrying out checks on individuals, and banks thought that because someone said they had a golden visa, or going to get a golden visa, that meant the UK Government carried out checks.” Stronger requirements for banks were introduced, but an [undercover investigation](#) by Channel Four and the Sunday Times revealed that banks were happy to look away when their client was high-risk. “So that showed that the system was still vulnerable when they had so-called professionals sort of gatekeeping those who could make use of it,” Cowdock concludes.

“Any institution looking to guard against money laundering or corruption will take jurisdiction into account. So it's a standard red flag, especially when you're looking at some of the jurisdictions involved,” he explains. “Obviously you judge every individual case by its own merits, but for us looking from the outside in, and looking to do macro analysis on this, nationality and jurisdiction of origin are really important to take into account. It's showing who is wanting to use this [opportunity], – possibly people with something to hide, – and it's a reputation laundering tool, a way of appearing lower-risk.”

“The residency rights granted by the MPRP do not grant any automatic rights to conduct business in the EU,” Residency Malta Agency commented in response to questions about individuals hailing from these jurisdictions. “Third parties conducting business with individuals from non-cooperative jurisdictions, independent of whether these individuals hold a permanent residence or not, such as financial institutions, business registers, licensing authorities and real estate agents, have legal obligations to conduct their own applicable independent due diligence checks prior to entering into a business relationship with these individuals,” the agency added.

A 2016 presentation for agents by Roderick Cutajar, who headed Identity Malta, at the time in charge of the programme, shows that the statement of source of funds and wealth was required for the main applicant only, and up to four generations could be included as dependents. An applicant can mention a benefactor in a “clearance form”, referenced below.

REQUIRED DOCUMENTATION CONTINUED

7. **Form MRVP6 – Clearance Form** – this form is to be filled in for ALL applicants over the age of 12 for clearance purposes. A copy of applicant's biometric data page of passport/s should be attached to this form.
8. **Evidence of Due Diligence Process (KYC)**- Completed by agent for each applicant
9. **Statement of Source of Funds & Wealth** – completed for Main Applicant only – (If not part of MRVP2)
10. **Bank Statements** – presented for Main Applicant only
11. **Evidence of business ownership** (for Main Applicant only where applicable)
 - Certification of Incorporation (or equivalent)
 - Memorandum & Articles of Association (or equivalent)
 - Share Register (or equivalent)
 - Register of Directors (or equivalent)



Source: documentation shown to the Foundation by a source.

This overview of what we know about the applicants' background suggests that in our sample, the individuals who failed police checks, as well as nearly half of the PEPs were rejected. Data on the application outcome of one PEP and a few individuals found on global sanctions list as being suspected of crimes were missing. This could suggest that due diligence checks have been effective. "As part of our due diligence process, we also engage with international reputable investigators who have in-country native language capabilities with which they conduct checks including access to websites, databases and official records/registers which would otherwise be either geo-blocked or with physically restricted access," Residency Malta Agency explained in their written response. "A total of 77 applications since the start of the Programme have been revoked or withdrawn following our compliance checks after the first year."

Nonetheless, given that so many applicants come from high-secrecy or non-cooperative jurisdictions, individuals with unexplained wealth, but not subject to any formal process could have accessed golden visas. In countries lacking rule of law, relying on local police checks may end up more likely to filter out opposition figures than influential individuals who engage in wrongdoing but remain uninvestigated. Engaging local investigators may mitigate these risks, but more transparency on the mechanism is needed.

3. When Investors Acquire Homes

Although the scheme targets investors, who are expected to be well-off, our data suggests that most were interested in the cheapest possible option to obtain their residency rights. Since real estate is so central to the Maltese golden visa, our analysis is the first, to our knowledge, attempt to comprehensively examine how golden visa buyers behave in the real estate market and what impact this has on local communities. We are informed that, in parallel, the Residency Malta Agency is working on a study on the golden visa scheme's local impact (in an [EU experts group](#) meeting in 2023 on investor residence schemes, Spain and Ireland presented their evaluation frameworks, but nothing appears to have been said by Malta).



Above: The blocks of flats which are rented to golden visa applicants can be a far cry from the luxury residences that high net worth investors are expected to live in. *Photo: Joanna Demarco.*

[Requirements](#) state that visa buyers must have a valid residence in Malta at all times, with no gaps. They do not have to stay in the same property. For rental properties, the threshold that makes a rented property qualify for the scheme is 10,000 euros per year if the property is in Gozo or the South of Malta (administrative boundaries of this are specified in the relevant law). This minimum is not neatly divisible by 12, so most applicants in the sample rented for 10,200, but there is an applicant in the data who rented for 10,008 euros. Only two applicants (both Chinese) in our data went notably beyond the required minimum: 11,400 euros for a place in Żebbuġ and 50,000 for a place in Rabat. Overall, most applicants opted for the lowest possible rent above the required threshold. For the rest of Malta (the archipelago's more affluent parts), the rental threshold is 12,000 euros per year, neatly divisible by 12 months.

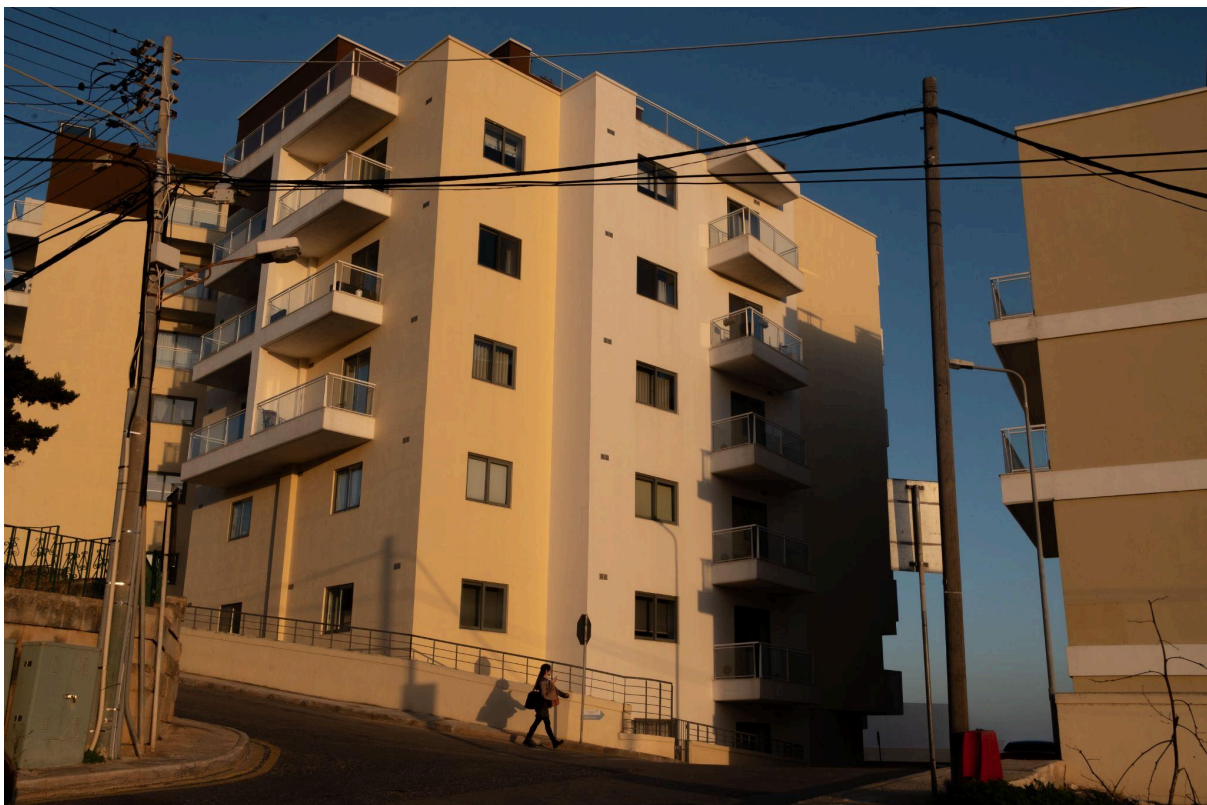
3.1. A Scheme for Tenants

In our data of over 2,500 applications, only 67 applicants chose to purchase a property. The most chosen town to do this was Swieqi, popular with tourists. The data reveals that visa buyers' real estate transactions contributed to some controversial developments.

Only four applicants chose to purchase property in Gozo, investing 1,419,524 euros among them. Three of them bought their properties at the complex of Fort Chambray, a special designated area. The proposed project has missed multiple deadlines and is controversially [being transferred](#) to third parties.

Malta has several [special designated areas](#) favourable to real estate investment, where non-nationals can buy an unlimited number of properties without a special permit. Ta' Monita Residence in Marsaskala is one of them. It is [owned by Tumas Group](#), which is active in numerous industries from hospitality to gambling. Nine visa buyers registered their address in the development – but only two bought their qualifying properties and the rest rented.

Vista Point in Marsalforn also attracted a number of visa-buying tenants. In 2017, the development was at the centre of an [attempt to create a high-rise area](#) against a policy that restricts tall buildings in Gozo, angering residents and activists.



Above: A new block of residential flats in Marsaskala, where golden visa buyers can rent at a discounted rate. *Photo: Joanna Demarco.*

We did not find the other 18 special designated areas, which are high-end developments, in the applications dataset, suggesting that the golden visa does not substantially attract money to this kind of market. Also, while the government's incentive to apply lower thresholds in Gozo and South Malta was a success in attracting tenants to these areas, it

did not convince property buyers. After Swieqi, the next two most popular towns for buyers were Sliema and St Julians – all of these are in Northern Malta.

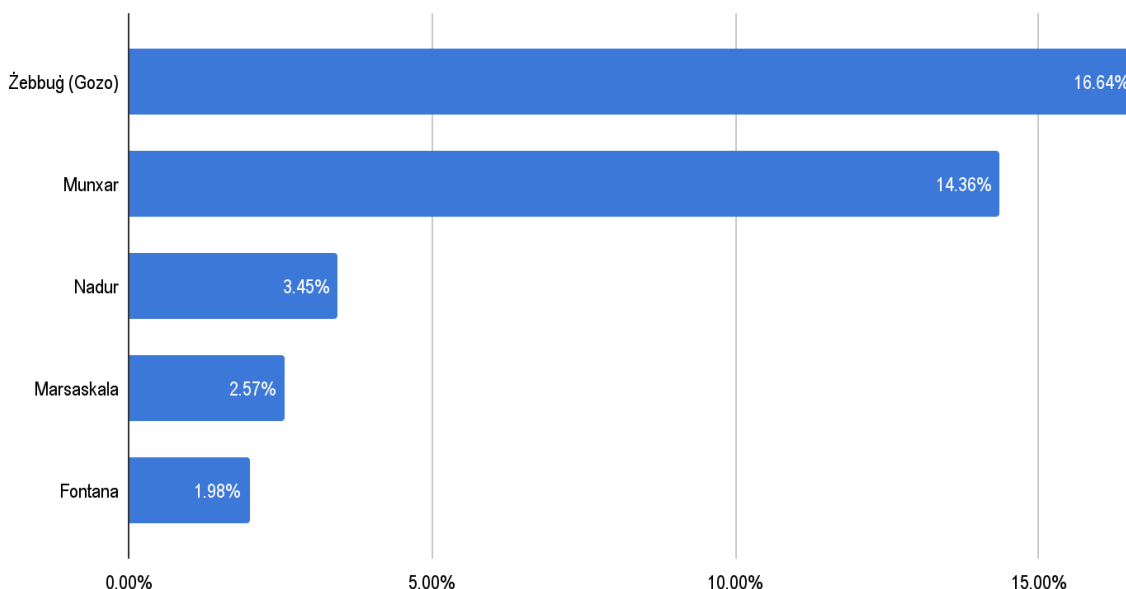


Above: A flat in this residential building was rented to two golden visa buyers. *Photo: Joanna Demarco.*

At these prices, golden visa buyers choosing to rent are directly competing with local residents. A recent KPMG [report](#) indicates that between 2017 and 2020 (the pandemic year, which shook up the real estate market), rental housing units costing below 400 euros (affordable to minimum-wage earners) have largely disappeared, and the segment of 801-1,200 euros per month expanded the most – which is exactly the segment of the minimum rent for visa buyers. KPMG's survey of renters (small sample) showed that just around a quarter of them had a budget of 960 euros or more for rent, which is close to the threshold for visa buyers in the North of Malta. Visa buyers in South Malta and Gozo are competing with renters who have a budget of 750-959 euros per month for rent – over a quarter of renters.

Top 5 Localities by Percentage of Applicants and Dependants

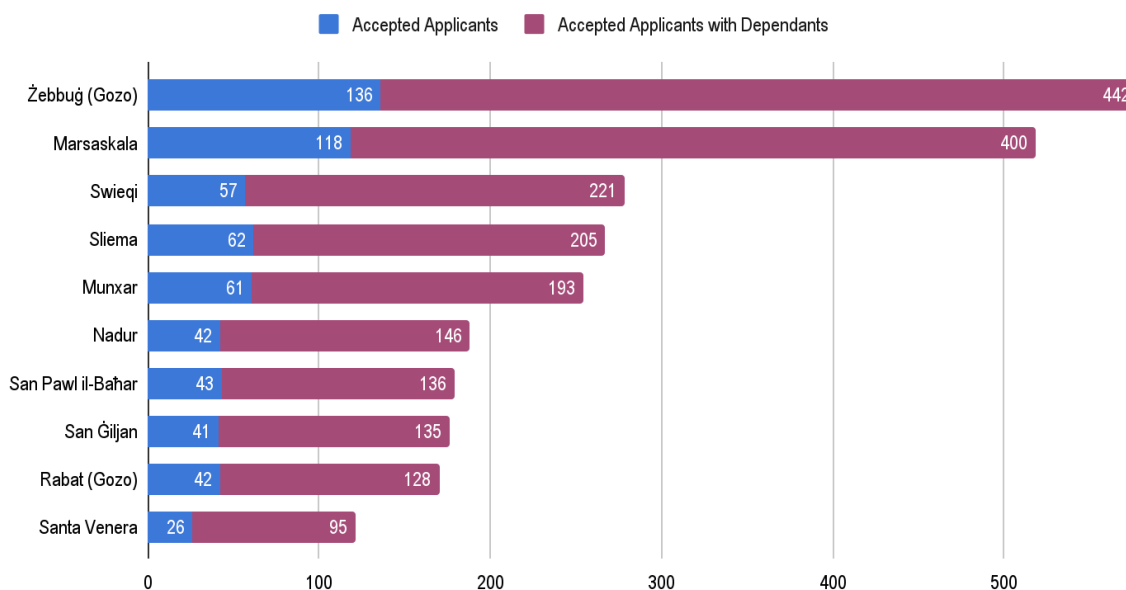
Chart 5: Top 5 localities with accepted applicants and their dependants (2016-2020) as a percentage of the local population in 2020



When taking dependents into account, the incentive to rent in Gozo and South Malta drew hundreds of new residents to Żebbuġ (Gozo) and Marsaskala. Between the two latest censuses (2011 and 2021), Żebbuġ (Gozo) recorded the second-steepest growth in population and in population density. In total, the locality had under 1,000 active rental contracts as of 2022, and the applications dataset contains 136 visa buyers' addresses in the locality (over six years). Given the required rental period of five years, we estimate that in this locality 16% or more of all leases were held by visa buyers.

Top 10 Localities

Chart 6: Top 10 localities with accepted applicants and their dependants according to declared residence, 2016-2021

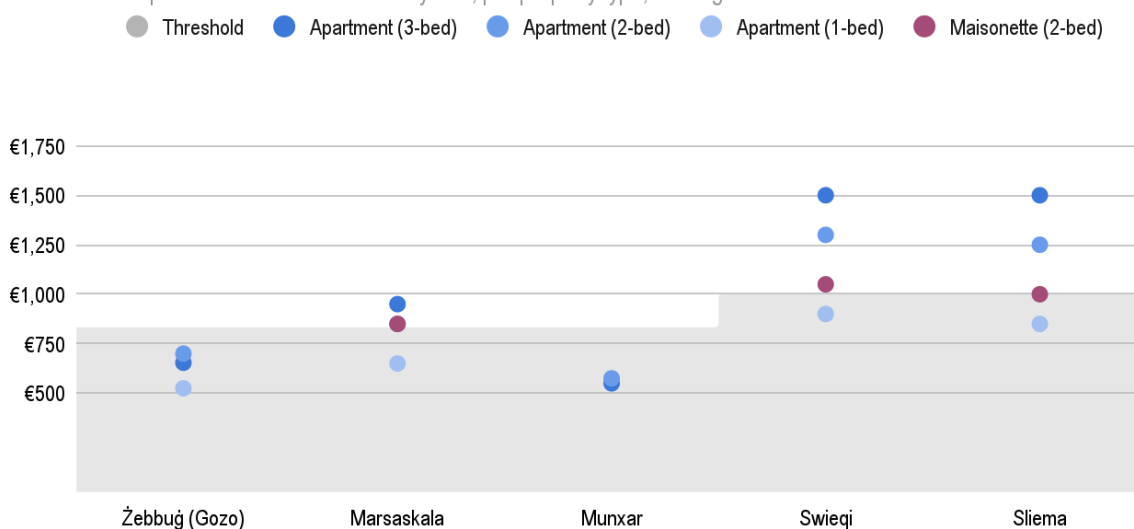


If all the approved beneficiaries of the golden visa programme and their dependents were to live in these properties, they would constitute 17% of Żebbuġ's and 14% of Munxar's population. Visa buyers, predominantly Chinese, would constitute sizable minorities in these small towns. The applications dataset shows that some visa buyers added as many as nine dependents to their application.

The table above shows that overall, the most popular localities with visa buyers were Żebbuġ (Gozo), Marsaskala, Swieqi, Sliema and Munxar. Using the Housing Authority's Malta Rent [Calculator](#), we can see how the rent threshold for visa buyers compares to median rents in these localities. Note that one third of visa buyers came to Marsaskala with more than two dependents; the same is true for just under a half of visa buyers in Sliema and nearly two thirds of visa buyers in Swieqi. Yet even the 50 renters who brought five or more dependents stuck to the minimum rent: only 10 of them chose properties worth more than 100 euros above the minimum value.

Visa Scheme Threshold vs Median Rent According to Housing Authority

Chart 7: A comparison of the median monthly rent, per property type, to the golden visa scheme threshold



A [2020 academic study](#) of golden visa impacts found that in the analysed countries their impact on the real estate market was small, except for Greece, where golden visa buyers concluded a third of real estate transactions and 72% of foreign investment into real estate in the analysed period. In Portugal, visa buyers brought close to a quarter of foreign investment in real estate, and in Spain the figure was only 1.5%. “Cyprus, Italy, and Malta ignored repeated requests for information,” the authors note, and hence these countries were excluded from the analysis.



Above: A streetscape in Marsaskala, showing flats rented by golden visa applicants. *Photo: Joanna Demarco.*

For this report, a **statistical analysis** was conducted by Prof. Liberato Camilleri (University of Malta). It tested the statistical relationship between golden visa applications and visa buyers' investment as independent variables, and the number of planning applications and the number of final deeds of sale per district as dependent variables. As an alternative predictor, the analysis took into account the size of the overall foreign population per district, as immigration is commonly linked to housing demand.

Throughout the years, the average number of annual planning applications per town was highest in the Northern district and the lowest in Gozo/Comino. However, between 2018 and 2021, Maltese districts display a decrease in the average number of annual planning applications per town, but this is not the case for Gozo/Comino. The rate of change in the number of deeds of sale is largest in Gozo/Comino and smallest in the Western district; however all rates of change are significant since all p-values are smaller than the 0.05 level of significance. This implies that purchase or lease of property is, on average, increasing.

When combining all districts together, the relationship between the number of planning applications and the number of golden visa applications is negative and significant, but this negative relationship is mainly attributed to the fact that the number of planning applications and the number of visa applications vary considerably between districts. For example, Gozo/Comino is the district with the largest number of visa applications but with the smallest number of planning applications. The same can be said about the relationship between the number of planning applications and the number of rentals by visa buyers. The increase in foreign population is positively correlated with the number of planning applications, especially in the Western district. In other words, statistical data that we have does not support the hypothesis that golden visas drive the number of planning

applications. We cannot say whether developments subject to these planning applications are becoming fewer but ever larger (the peak in planning applications was 2017-2018), as for this we do not have the data.

However, the relationship between the number of deeds of sale and the number of golden visa applications is positive and statistically significant. For every additional visa application, the number of deeds is expected to increase by around 12 deeds. Meanwhile, the relationship between the number of deeds of sale and the number of rentals by visa buyers is positive but not statistically significant. There is a stronger relationship between the increase in the foreign population and the number of final deeds of sale. This means that although other factors are at play, **the hypothesis that golden visa rentals are linked to trading in real estate is confirmed**. During the years that the golden visa is active, Gozo/Comino has overtaken some other districts in terms of real estate trading.

Finally, the value of visa buyers' lease remained fairly stable between 2016 and 2020, and statistical relationships between the investment from visa buyers on the one hand and the number of annual planning applications per town and the number of final deeds of sale is weak. For purchased property, the number of observations was too small for statistical analysis. Technical information on the statistical analysis is provided in Annex 2. In comparison, an [analysis](#) in Portugal showed that golden visa thresholds led real estate transactions to concentrate disproportionately at the threshold value. On average, the price of properties close to the threshold value was bumped up by around 15%.

From the available data, we can conclude that golden visa buyers tend to be tenants rather than real estate investors, furthermore, they avoid investing considerably above the threshold value. Financial incentives have attracted them to the more affordable areas, and while golden visa is not confirmed to be one of the drivers of Malta's development spree, it does significantly contribute to real estate trading activity, further crowding the market segment where many local residents search for their homes.

3.2. Focus on Gozo

A closer look at the apartments rented to visa applicants in Gozo, coupled with one of the immigration service providers's financial documentation, shown by a source, reveals that agents offer applicants a full package, where rent and utility payments are handled by the intermediary. In other words, applicants themselves are not even required to bother paying a single bill themselves. Some rents are paid for in bundles of three or more.

A large complex in Gozo by the name Crystal attracted 38 of applicants between 2017 and 2020, the applications dataset shows. Dolphin Court, also spelt "Dolpine" (19 applicants), Tal-Perit Apartments and Seashell were other complexes with 10 applicants or more. Using the applications dataset, we also calculated if there were any overlaps between applicants. We did this by counting from the date the earlier applicant's Letter of Final Approval was sent (which means that the checks were complete) and the next applicant's Letter of Approval in Principle was sent (which means that they passed the initial checks and can now obtain a qualifying property to proceed with their golden visa process). We found four housing units in Gozo where two unrelated applicants overlapped by more than three months.



Above: Gozo's Dolphin Court, a large residential complex, is a favourite of golden visa buyers. Photo: Joanna Demarco.

According to Astrid Vella of Flimkien għal Ambjent Aħjar (FAA), an environmental and cultural heritage NGO, "it's long been known that many [visa buyers] present the same address, so you get several golden passport applicants registered on the same address. I personally know of landlords who accept to be, as it were, mailboxes for golden passport holders who have never stepped into their property at all. They simply pay for the use of that address, while the landlords, in actual fact, rent it out to someone completely different." Golden passports and golden visas are similarly lax in residency requirements. This insight was corroborated by Times of Malta's interview with an industry insider, who [said](#), "It was easy money for the providers, and for everyone else. People were renting properties, renting summer residences to these Chinese and could still continue using them themselves, as the Chinese weren't ever in Malta". Our team visited a sample of properties with multiple visa buyers registered, and observed the vastly different quality standards among these properties, ranging from high-end to extremely modest.



Above: Tower cranes and new “mega projects” show the intensity of development in Marsaskala. Photo: Joanna Demarco.

FAA’s activist Vella links the impact of the golden visa scheme in Gozo and the rest of Malta to the emergence of ‘mega-projects’, which the government incentivises. Mega-projects “really need such a boost in order to be financially viable, because they are so disproportionate to the size of Gozitan villages and to the demand for property in Gozo,” she said in an interview for this research.

A [report](#) by Malta’s Housing Authority showed that only 7% of registered contracts in 2022 were in Gozo – almost half of them in Żebbuġ (which includes Marsalforn), Victoria, and Munxar (including Xlendi). No single Gozitan locality had more than 1,000 registered rental contracts. Our list of applications contained 337 visa buyers who rented in Gozo – a significant boost. The 2021 census found 3,624 non-Maltese “dwelling members” in Gozo’s dwellings, among them 1,635 renters, which includes migrant workers, refugees, digital nomads, retirees and others.

According to a [study by the Environment and Resources Authority](#), close to a half of surveyed Maltese residents said that ‘low levels of construction’ are among the factors that makes a locality a good place to live (third most commonly cited factor). A [blog post from 2020](#) by the Planning Authority advocates for “designating business hubs in Rabat, Marsalforn, Xlendi and Xewkija”, which would concentrate business in already urbanised areas of Gozo and avoid damaging natural and rural areas that give the island its distinct attractiveness.

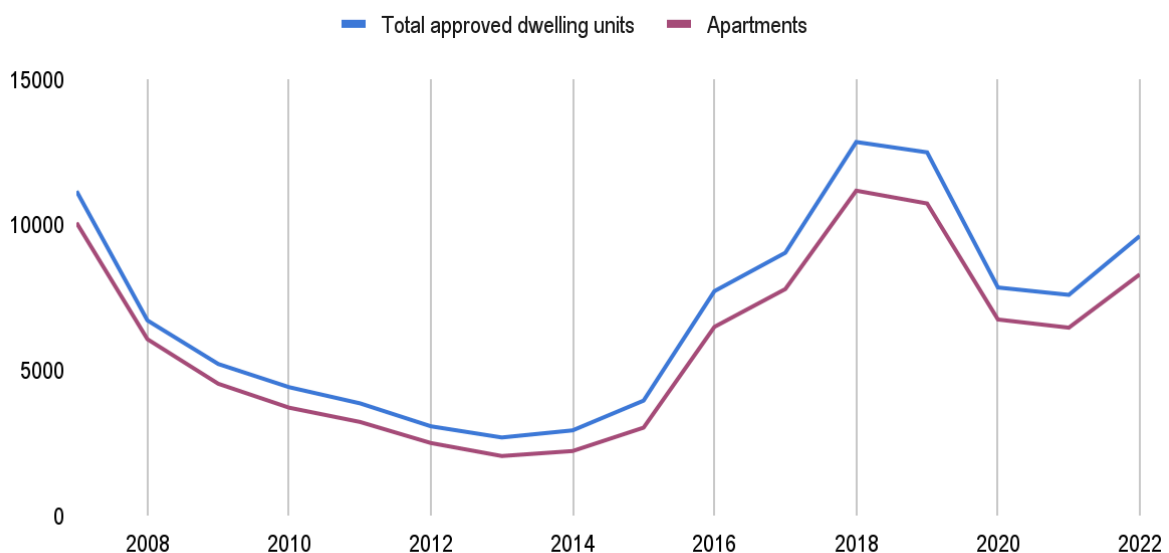
MaltaToday [reported](#) that between 2019 and 2023 the Planning Authority issued permits for 7,627 new dwellings in Gozo, and that “some localities have reached a saturation point”. Between 2013, when the currently ruling Labour Party came to power, and 2018, which

beat the planning applications record of 2007, the number of newly-approved dwellings **increased** by an average of 74% every year. MaltaToday **reported**: “In total, 119,886 new dwellings have been approved since 2000, of which 24.5% were approved in just three years between 2016 and 2018 during which the PA approved 29,339 permits.” These increases could not be solely attributed to one particular demand factor, but James Debono, who covers planning for MaltaToday, explained the boom by a “relaxation in planning regulation through design guidelines which effectively superseded height limitations enshrined in local plans”. However, the regulation favourable to developers works in tandem with the knowledge that any new supply, disproportionate to the size of Maltese towns, will be absorbed.

With a focus in Żebbuġ, Gozo (the most affected locality on the island) and some other selected localities, we manually matched addresses contained in the applications data with planning applications, available on the Planning Authority’s website. Owners are declared only in the more recent planning applications. When the owner of the property was declared, we found visa buyers paid at least 173,400 and 122,400 to the top two owners. We do not know how much commission was paid and how much the owners actually pocketed, but from rents by visa buyers alone, these two top owners could have bought a small additional property within a few years. These calculations are not representative – the process of matching addresses with owners is time-consuming and could only be feasibly done for a select number of localities. Meanwhile, the government could use its access to various systems and conduct a study on who benefited from the visa scheme if it wished.

Approved Dwellings

Chart 8: Approved dwelling units according to data provided by the Planning Authority



The incentive brought numerous tenants to Gozo and contributed to a financial injection into the smaller island’s property market. Our calculations based on the applications data show that rental investment was distributed nearly equally between the North of Malta on the one hand and the South plus Gozo on the other, with a slightly higher total investment in the North. But when it comes to purchased properties, 86% of the investment went to the North. Thus, the financial incentive to direct visa buyers to the South and Gozo pushed

nearly two thirds of renters to these areas, but resulted in a **lower overall financial injection**. Nine in ten visa-buying tenants in those areas rented for below 11,000 euros per year and thus competed with locals looking for rental accommodation in that price segment. Only four investors in the sample bought properties for more than a million euros – all in the North of Malta.

It looks like these substantial amounts were a boost to the smaller and more rural island's economy. However, a 2023 KPMG [report](#) noted that employee earnings in the real estate sector continue decreasing over the years, with an annual average decrease of 4.7%, which suggests that the most vulnerable participants of the industry are not benefiting from the boom at all. With absent residents not using local services and not shopping locally, the trickle down effect from the additional demand for rental properties may be insignificant. In the view of Astrid Vella from FAA, the environmental NGO, historically, Gozo used to attract foreign residents who enjoyed this island's lifestyle and enthusiastically contributed to the community, but "these people are leaving. They are disgusted at the over-development that is taking place in Gozo". The fact that visa buyers rent properties and must donate to local NGOs does not substitute community involvement. "And the most upsetting thing is obviously the fact that these people are putting up the market price of property, so young Gozitans are struggling to buy property, which means that they are marrying later [...], some families buckle under the stress. So the implications are very, very far-reaching," Vella says.

The demand for rental real estate by often absent visa buyers in the [crucial 801-1,200 euros per month bracket](#) has contributed to fuelling the ongoing transformation of dwellings into investments, creating numerous challenges for the local population. The [Gozo regional development strategy for 2023-2033](#) lists "Increased pressure on land use due to building and real estate development" as one of the threats. In addition, it states, "The preservation of the village heritage is crucial to a long-term strategy for improving the quality of Gozo's built environment. [...] Should urban growth and development not be properly planned in Gozo, the risk would be that of losing the island's identity and distinctiveness. This could lower the quality of life on the island with the consequence of deterring high quality tourists, high value investments and businesses." A [report](#) by the Housing Authority and its rent calculator showed that the threshold rental price in most regions still exceeds the estimated market price of a three-bedroom apartment in Gozitan localities, but based on our research findings, we conclude that price convergence with North Malta is unlikely to benefit the community.

Rentals to golden visa buyers overlap with the platform economy (some properties can be found as holiday rentals on TripAdvisor and elsewhere) and both increase the pressure on housing stock. Golden visa applicants are [not allowed](#) to use hotels for the purpose of their application (the address has to be residential). Still, by matching addresses in the applications dataset with a list of licensed holiday homes on the website of Malta Tourism Authority (MTA), we confirmed 10 properties which doubled as both (two used spelling variations for different purposes: Crest Hill for visa buyers' address and Crestel for MTA – the property is registered as Chresshil by MaltaPost; Dolphin Court, which has three flats registered on MTA, appears as Dolpine Court in visa buyers' addresses – we double-checked these properties on MaltaPost and by physically visiting them). Eight of these double-use properties were in Gozo, including seven in Marsalforn. For one of the cases, we found that the contact persons interacting with tourists on TripAdvisor were also being paid by an immigration service provider whose financial documents were seen by the Foundation. It cannot be ascertained whether the properties were being offered to tourists at the same time when they served as qualifying properties for golden visa buyers. We have

asked the Malta Tourism Authority for a comment on this practice but did not receive a reply.

When asked about this, the Residency Malta Agency said that double use was not permitted. “Residency Malta’s compliance procedures also include open-source checks on all properties to ensure these meet the MPRP’s qualifying criteria, at both initial stage and each year thereafter as per regulations. If a particular property is found to be listed as a holiday home, the Agency ensures that this property is blocked for the duration of the applicant/beneficiary’s lease agreement. Otherwise a change of address is requested. Regular monitoring ensues thereafter,” it stated in a written reply. Spelling variations can complicate these checks.

During the COVID-19 pandemic, non-EU nationals continued shopping for golden visas while tourism ground to a halt for a time. Visa buyers could have provided a lifeline to struggling holiday home owners, but the previous analysis shows that there does not seem to be a genuine property market that visa buyers engage in – agents and real estate companies work closely together, often owned by the same people or companies, and visa buyers choose from listings provided by these gatekeepers.

When gatekeepers (agents) are active in politics, the complexity increases. We found one town mayor on the list of licensed agents. Based on our file, this person handled only a few approved applications, so we are not mentioning them in this report. Verifying the identities of all licensed agents and finding out their staff profiles to see how many politicians were among them was beyond the scope of this project, but it would offer a promising direction for further research.

In reaction to our questions about the golden visa impacts on communities, the Residency Malta Agency replied that “the Agency has commissioned a study to determine any impact of the MPRP on the local property sector. The study is currently underway and includes focus groups with stakeholders. The study has been commissioned specifically to ensure the sustainability of the residency programme.” However, Astrid Vella of the FAA NGO believes that many locals of Malta’s smaller island would be wary of voicing their concerns about the scheme’s impact or blowing the whistle if they encountered any issues. “Remember that the Gozitan *omertà* must be one of the strongest features of Gozo. Gozitans will not speak to others,” she says, explaining the web of dependency on the island. “I remember cases of people who express themselves on Facebook being called out to the minister: “Listen, have you forgotten that I got that parking ticket cancelled? Have you forgotten that I found your daughter a job? Is this the way you treat me?” In August 2024, when we asked the Gozo Regional Development Authority about participation in the Residency Malta Agency’s study, the Authority had not heard of it.

Overall, the fact that Malta’s golden visa is a property-centred scheme creates several systemic challenges to local communities and the environment:

- The purchase incentive did not convince the bulk of golden visa buyers to invest in properties in South Malta and Gozo. However, local developers have been exploiting the opportunity to expand, replace or simply use their properties to offer visa buyers qualifying rental properties and thus benefit from the scheme.
- Although the number of golden visa buyers is small compared to the general population increase and the pressure of tourism-induced demand, it nonetheless

contributes to the appetite for more development, which prompts environmental destruction, loss of heritage, and lower quality of life for communities.

- Visa buyers boosted competition in the lowest widely available rental segment, contributing to pressures on low-income earners and families.
- Profit from additional real estate lease opportunities is not distributed equally and transparently: there are signs of market concentration and calcification between agents (some of them politically linked) and real estate businesses.

4. Changes in the Golden Visa Landscape

Several countries have over the years experimented with their golden visa regimes in order to mitigate observed negative impacts. Concerns about the impact on housing markets are paramount in these decisions. In this chapter we review lessons that Malta could draw from the broader European and international context.

In March 2023, the European Commission [convened](#) an experts group on investor residence schemes. Malta's only contribution was to propose a common definition of such schemes. According to a [FATF and OECD report](#), “even a well-designed programme can face implementation challenges” as “there may be pressure on authorities to reduce application processing time or what are viewed as “burdensome” requirements placed on applicants.”

According to a January 2024 list of golden visa countries by [Investopedia](#), “Portugal, Malta, Greece, Cyprus, Spain, Hungary and Italy have among the most sought-after golden visa programs” in the EU. Of those countries, Cyprus, Greece, Hungary and Spain offer the real estate investment route to a golden visa, but from available sources it appears that only in Malta purchasing or renting real estate above a certain price is a necessary condition – other countries offer alternatives, such as business creation or, in the case of **Hungary**, [investment into the education sector](#). This option, [according to industry-linked sources](#), had not been launched at the time of writing. Hungary's expenditure on research and development in relation to GDP was [double](#) that of Malta's in 2022 – and Malta's was the second-lowest in the EU. Poland, which has similar levels of research investment intensity to Hungary, has a [visa programme](#) for IT specialists and innovative entrepreneurs. It is clear that other EU countries are refocusing their golden visas on high value-added sectors, but not Malta.

4.1. Abolitions

A wave of golden visa reforms took place in the wake of Russia's full-scale invasion against Ukraine and the subsequent mobilisation to crack down on sanctions evasion. The **UK** thus scrapped its golden visa in 2022. Although money laundering risks were well known for years, it was the security element that prompted the government to take action.

According to TI UK's Ben Cowdock, the first push was the Salisbury Poisoning incident in 2018. This was followed by the [unfavourable outcome of a security assessment](#), [criticism](#) of the open door policy towards Russian oligarchs, as well as a [government report](#) stating that “economic benefits of this route to the UK are not obvious”. In 2019, [Dolphin Financial \(UK\) Ltd](#) was placed under restrictions for the way it handled investor residency. It eventually went into special administration. Already in 2020, a [House of Commons report](#) called for “an overhaul of the Tier 1 (Investor) visa programme – there needs to be a more robust approach to the approval process for these visas”. There were other concerns associated with the scheme: a [report by FATF and OECD](#) cites evidence of merry-go-round investment fraud schemes, which simulate investment without really injecting it into the economy.

In Cowdock's view, Russia's full-scale invasion in Ukraine “was the final straw, because it came out that 10 sanctioned Russian oligarchs had used the golden visa system to access the UK. We'll probably never know the full exposure of the UK to dirty money from that system, but it was significant, and represented a national security risk too.” He also added

that it turned out the total injection of investment could have been smaller than implied by the scheme's design, as it was easy to sell off investor bonds soon after passing the checks. "So the money was potentially only touching the UK economy very briefly before exiting," he commented.

Like other Transparency International chapters in golden visa countries we spoke to, TI UK called for a thorough investigation of the golden visa scheme's workings before scandals prompted a more stringent approach. They did not insist on the abolition of the golden visa. "We were always suggesting that as an option, but not the only option. So tighter controls were the main thing we were calling for, and retrospective checks on who benefited from it," Cowdock said, adding that evidence of unexplained wealth being channelled to the golden visa system currently emerges in an ad hoc manner. "The Russian invasion of Ukraine in 2022 that was like saying, enough was enough. It was a way for the government to show they were wanting to be tougher on Russian money," he added.

In response to the invasion, **Ireland** excluded Russian citizens from the scheme before scrapping it altogether in February 2023. "It follows that any move to narrow access to the programme, or to close it altogether, would leave groups accustomed to such money having to find it elsewhere," the Irish Times [reported](#), noting the relationship that evolved between the scheme's investors and social entities, notably nursing homes. Journalists have reported on the low transparency in the scheme's charity arm: "there is next to nothing on the public record about the identity and role of agents and brokers in China who source programme funding from people there for Irish organisations, in return for commissions that can reach 25% of the principal funding". Ireland has [kept](#) an investor residency scheme for start-up founders and entrepreneurs. Eligible investors' companies [must be headquartered](#) and controlled in Ireland.

Unlike in countries like Greece, which offer an affordable real estate pathway, the [cheapest](#) way to buy a golden visa in Ireland was through an endowment – a charitable investment. According to Alexander Chance of TI Ireland, the golden visa programme in Ireland was developed during "that sort of period where the government was just desperate to raise revenue from any corner it could find". Criticism from parts of the government, the European Parliament, international institutions and Transparency International itself followed the scheme from the start, but with each new revelation there were increasing concerns of money laundering and reputation laundering through charity investments. According to a Department of Justice [memo](#) obtained by the Irish Independent, the government itself considered that there was "an underlying and strategic reputational risk" for Ireland through continued operation of the scheme to raise funds.

In 2024, the **Netherlands** ended its golden visa scheme as well. Transparency International Netherlands issued a [statement](#) noting that 'Investment migration schemes are so controversial that the Netherlands recently decided to end its residence permit-by-investment scheme, despite no concerns about abuse.' Being stricter and more expensive, the Dutch golden visa attracted a low number of applicants. This, together with the Dutch government's stance on golden passports in countries like Malta, has prompted the government to do away with the scheme.

4.2. Reforms

Portugal stepped up to remove the real estate option as a gateway to residence for money – the reform took place in October 2023. Already in 2021, the option of buying residential

properties in Lisbon and Porto [was removed](#), but investors could still acquire them through investment funds. In 2022, urban centres were excluded from investment options due to concerns that it was exacerbating [a housing crisis](#) – [not because](#) of money laundering risks. At the time of writing, investors can transfer a minimum of €500,000 to certain qualifying funds, or €250,000 in support of artistic productions or national cultural heritage.

It is worth noting that the measure was [part](#) of a housing policy package. Initially, the prime minister [intended](#) to do away with the golden visa altogether, but the parliament did not support this idea. Karina Carvalho of TI Portugal considers the removal of the real estate pathway to golden visa “very positive as a risk mitigation measure”, given that “In Portugal, ‘know your customer’ obligations have traditionally been minimally enforced (or not enforced at all) by real estate brokers, cash payments have been known to take place, and assessments of the origin of capitals being invested were not done on a regular basis.”

“Thus, the Portuguese Golden Visa scheme ended up encouraging the purchase of properties at high prices, making it possible to launder several thousand or even millions of euros of dirty money, the product of corruption, in a single transaction,” TI Portugal’s representative said. She added that despite publishing statistics on nationalities and investment pathways, the government had not, at the time of writing, published statistics of “the number and type of due diligence procedures (if any) undertaken, the number of GV requests denied, and the reasons for that denial, or the number of contacts undertaken with foreign jurisdictions or financial and real estate brokers or luxury goods dealers to look into the origins of the money being brought in.” TI Portugal was able to eventually obtain this information by a court order.

In a statement in response to the reform, Transparency International Portugal [demanded](#) a full audit of the golden visa’s impact. It is [known](#) that by 2023, Portuguese golden visas had generated almost seven billion euros in investment, 10.7 million in property acquisitions and created just 22 jobs. TI Portugal has also called for an independent cost-benefit assessment. After five years of residence, during which applicants must only spend 63 days in the country, they could apply for a Portuguese passport – the government does not collect data on the number of visa buyers who did so.

On inherent risks, Transparency International [said](#), “It is therefore no surprise to anyone that Golden Visas substantially increase the risks of money laundering and terrorist financing (ML/TF), and the lack of transparency, due diligence and weak governance that the scheme entails are also not unknown. Especially when associated with the acquisition of real estate.” It has been reported ([recently in the EUobserver](#)) that “Portugal has not implemented practices of “due diligence” and risk assessment of foreign citizens applying for golden visas.” Authorities confirmed to reporter Diogo Augusto that the only checks on the applicants were carried out by financial institutions. Currently, TI Portugal is calling on the Portuguese authorities “to publish all the information regarding the programme, including due diligence procedures undertaken and the identification of players that provide consultancy services for applicants of [golden visas].” Karina Carvalho comments that “The identification of players is important because it is known that former politicians connected with big law firms, or politically connected individuals have been dealing in [golden visas], namely selling consultancy services for candidates, thus creating problems with conflicts of interest and the inefficiency of oversight mechanisms.”

Recently, the government of **Spain**, which [issued 6,200 golden visas](#) over ten years, initiated a reform, of which the outcome was still uncertain at the time of writing. Still, the

discussion on the reform has sparked partisan and even regional divisions in the country. IMI Daily, a website on golden visas and similar investment migration, [estimates](#) that around two thirds of golden visas have been issued in Catalonia and that its politicians will oppose the elimination of golden visas. On the other hand, the Spanish prime minister has [stated](#) that his government's initiative against the golden visa will re-establish housing as "a right instead of a speculative business". In an EU experts group, Spain [reported](#) that 96% of golden visa investments land in real estate. Among the Chinese (2,712 buyers), virtually all [used the real estate option](#), and the same was true for 95% of Russians (1,159 buyers) Although the changes remain to be deliberated on, the announcement [made interested investors hurry](#) to buy the visa before its conditions become more stringent.

In Spain, [TI Spain notes](#), a golden visa can be granted as a result of administrative silence – if the authorities do not reject the application within 20 days. Data obtained by TI Spain showed that applications from 99 Chinese and 99 Russian investors were granted thanks to administrative silence.

TI Spain's [project](#) on golden visas "explicitly aimed to call for a reform". TI Spain strongly [criticised](#) the provisions on administrative silence and the lack of controls over various intermediaries, agents and facilitators. Among its urgent recommendations, TI Spain advocated for regulation and control of intermediaries, adding that many of them operate outside the Spanish jurisdiction and have opaque corporate structures. In the long run, TI Spain calls the Spanish government to "Permanently abolish the visa and residency permit system for investors (Golden visas), as has been done in other European countries, or reform the current regulation to adequately address all the vulnerabilities identified here and allow only active types of investments that truly create employment, significantly reactivate the economy and do not generate inequality."

Greece, meanwhile, has increased property price [thresholds](#). The Greek golden visa programme started in 2014 with only the real estate pathway. The alternative pathways of investing into companies, bonds, financial instruments etc were [added](#) in 2019 and were more expensive. The COVID-19 pandemic provoked the lifting of physical presence requirements to apply. Initially, the minimum price was doubled in selected localities in April 2023. From April 2024, the thresholds increased everywhere in the country, especially in selected localities. This way the government aims to, as stated in a press release, "increase the supply of long-term rental housing and address the impact of the Golden Visa on housing costs while maintaining incentives to bring investment capital into the country and develop the property market". Visa buyers can enjoy the original threshold of 250,000 euros only if they convert a different type of property into residential or restore a property. Actual residence [requirement](#) was strengthened and it is [explicitly prohibited](#) to use qualifying property investments as short-lets.

[Greek media reported](#) that in a court case in 2023, a former employee in an authority that handles golden visas alleged that they were removed after investigating the issuance of golden visas to 45 Iraqi citizens based on forged documents. The claimant alleges that a politically exposed person was involved in facilitating the golden visas – all concentrated in a specific locality. In 2018, China [investigated](#) card payments for real estate using Greek bank POS inside China, potentially in violation of capital control rules. The European Central Bank [launched](#) its own investigation.

BIRN has [reported](#), using data from E-Real Estates, that between 2018 and 2023 rents in Greece shot up between 37% and 42%, and a survey showed that two in five Greek

tenants saw their rents rise. “The golden visa programme has certainly played a role in raising prices on the housing market,” Alkis Kafetzis, coordinator of the ‘Sky-High Rents’ project of the Athens-based think-tank ETERON, [told BIRN](#).

Between 2018 and 2023, 11,038 Greek golden visas were issued. [According to Transparency International Greece](#), as of 2021, nearly three quarters of golden visa buyers were Chinese, followed by Turkish and Russian citizens. “Greece unveiled its golden visa programme to increase investment into its struggling economy from Russia, Turkey, and the Middle East, offering non-EU nationals five-year residence permits for them and their families,” says BIRN journalist Eleni Stamatoukou, who has reported on golden visas. She cites Kafetzis of the ‘Sky-High Rents’ project, who told her that residence for money schemes “are not consistent with the need for housing to be treated primarily as a social good.”

The journalist notes that until September 2024, visa buyers could obtain residency with the earlier investment thresholds, but since then the most affordable option will direct visa buyers’ investment into start-ups. “With a wider parliamentary majority, the amendment for the granting conditions of Golden Visa [passed] on April 2,” Eleni Stamatoukou observes.

TI Greece’s interviews with golden visa intermediaries for the [2021 report](#) showed that they largely agreed that the scheme had weaknesses in relation to tax evasion, fraud and corruption. It was revealed that intermediaries approached apartment owners to sell their properties at an inflated price, on condition that part of the income will then be kicked back. Media reports showed that overpricing was repetitively handled by certain notaries and attorneys-at-law. Cases when Chinese visa buyers were defrauded and did not find the promised property on the ground were also reported. The government promised real property value checks, ownership checks and other safeguards in response. Still, TI concluded that “a large part of the irregularities observed in the Golden Visa system are due to the general weaknesses of the Greek system checking and cross-checking transactions”.

TI Greece’s executive director Angelos Kaskanis says that systemic risks appear “because [the golden visa scheme] is mostly focusing on earning money”. The pressure to keep boosting the scheme’s turnover attracts dishonest actors. From the scandals listed above to tenants complaining that they cannot reach their apartment owners (Greek golden visa buyers are not obliged to live in their qualifying properties) because “the ownership was somehow not matching the person that has been stated and has received the golden visa”, overpricing and sale carousels, various tensions between the scheme and local communities have prompted the government to act. Greece is shifting away from real estate pathways to more productive investments. “Investment is something more alive, rather than a placement of the real estate. [Investors] have to follow it. They have to make it prosperous, and they don't want to throw their money away,” Kaskanis says.

He notes that Greece is also trying to direct golden visa investments to “regions that have been affected by floods or wildfires, or natural disasters in general.” “I would also say, the local community is more aware of where this money goes, what is being done, where it is being invested. And it's easier to remain anonymous or a nobody in a city,” he adds.

“I don't think that [golden visa] is a vile project, or something evil in nature,” Kaskanis explains, noting that authorities have started legal cases about the irregularities. “So there was a revision and there was a recall. That is an active process. It is our responsibility, apart from the state, as civil society, to do our job and check and also make recommendations that participate in the open hearings and also in the workshops regarding it. I believe that all

the risks lie with the intermediaries, like lawyers or the civil servants, because those are the ones that are trying to ease the process for the ones who are interested in buying or investing.”

The risks associated with intermediaries is a common theme across golden visa countries.

4.3. European Trends

In 2022, Malta [suspended](#) issuance of residency rights to Russian and Belarusian nationals and, according to the responsible agency, stopped processing pending applications from these countries. “Residency Malta conducts multi-tier due diligence on all applicants and their dependents, including enhanced due diligence on the applicants, their spouses and benefactors and their source of wealth,” Residency Malta Agency commented in their written response to our questions. “Our ongoing monitoring of sanction lists includes internal and third-party checks to ensure that should a beneficiary be listed, we would be able to revoke the permit immediately. Residency Malta follows UN, EU, UK and US sanctions. When one of these institutions updates its sanction list, the Agency immediately informs licensed agents through a circular, and updates its website accordingly.”

Since 2021, the only indication of potential reforms to the Maltese golden visa scheme has been the information about the ongoing study of its impact by the Residency Malta Agency. However, more reporting requirements are expected once the EU's latest anti-money-laundering [directive 2024/1640](#) is transposed. Article 5 of the directive requires, among other measures, “obtaining information on the source of funds and source of wealth of the applicant” and “periodic reviews of medium and high-risk applicants”. If effectively transposed, the directive would be a step forward towards evidence-based interventions in the sale of golden visas.

The past couple of years brought substantial changes to the European golden visa landscape. In this context, it is likely that Malta will face pressure to reform its golden visa programme as well. In other Southern European countries the changes were driven by a housing affordability crisis, whereas Western European countries mostly responded to the threat of sanctions evasion and movement of illicit wealth. In order to retain its golden visa, Malta is likely to be pressured to come up with evidence-based reforms, which take the various risks and negative impacts into account.

In Cyprus, which is not a member of the Schengen zone, the removal of the golden *passport* option led to an additional push to make the golden visa more attractive. This is despite an [unfavourable report](#) by the country's audit office. The report found that investment criteria were sloppily applied, authorities accepted withdrawn purchases and unofficial proof of payment, and visa buyers benefited from reduced VAT rates despite being ineligible. Visa buyers also exited via North Cyprus to satisfy residency requirements while not residing in the Republic of Cyprus. The audit office “suggested to the Ministry of the Interior to seriously consider the possibility of completely abolishing the Program” and the ministry has agreed to introduce stricter controls on investors.

As [reported](#) by ICIJ, “Cyprus’ powerful industry of bankers, offshore service providers, accounting firms like PwC and other Big Four firms, and an army of 4,000 lawyers [are] all deeply intertwined with a Cypriot political class that erected some of Europe’s most stringent corporate secrecy rules”. Economist Alexander Apostolides, who lectures at the European University Cyprus, said that for the Cyprus golden passport scheme, pressure

from the US regarding access to this country's banking system was crucial in closing down the scheme, but the same has not happened with golden visas. At the EU level, there is less pressure as residency in Cyprus does not currently give buyers access to the passport-free travel area. Apostolides is also informed that numerous PEPs continue participating in gatekeeping networks as lawyers, accountants and other intermediaries.

As [reported](#) by CyprusMail, investment stakeholders are calling on the government to “improve Cyprus’ competitiveness and offset “the negative developments” after the abolition of the country’s citizenship-by-investment (CBI) scheme following revelations that state officials were willing to help criminals acquire Cypriot passports.” The division of the island is a major roadblock towards Schengen membership, which requires stable borders. Development stakeholders are calling for “expedited procedures” to speed up Schengen accession, which, [some argue](#), would imply “having an effective frontier on the EU’s external borders, something which would render the “Green Line” [the partition of the island] an external border”. Reportedly, the tech community in Cyprus also contributed to pressures for Schengen accession. “There has been a lot of pushing behind the scenes to almost legitimise the [partition] situation, the Green Line [as] our border, to get into Schengen,” Apostolides commented. “We are a divided country, so we cannot control our borders. To join would mean giving up your sovereignty. But they [lobbyists] think, as classic Cyprus, that they’ll find a way around it.”

The pressure to speed up Schengen accession can thus be politically problematic, although the government [maintains](#) that it continues aiming at “creating favorable conditions for reunification”. Still, the foreign ministry made Schengen accession its [top priority](#) and developers started promising that Cyprus will accede to Schengen “soon”. We found a social media post by one of the developers presenting the country’s Schengen accession as if it is a *fait accompli* and pitching its services to visa buyers on the back of this statement: “we guide investors through every step of the process, ensuring a seamless experience from [property?] acquisition to residency or citizenship.” Meanwhile, as of June 2024, [official EU sources stated](#) that Cyprus was still undergoing an evaluation process to assess its readiness to join the area.

The lack of transparency in most golden visa schemes impedes scrutiny by journalists and civil society, states TI Spain in its [report](#). There is a lack of data on visa buyers’ nationalities and origin of funds, as well as on the schemes’ impact. Further risks result from the frequent lack of inter-institutional coordination.

However the scheme is designed, Alexander Chance of TI Ireland says that “there are processes in lots of countries where people are assessed on the basis of their skills and their experience and what they bring to the country, but if it's purely based on resources, then I think there are ethical questions to be asked”. Due to this, as well as inherent risks in the programme’s design, TI Ireland was “very pleased when [the Irish golden visa] was called to an end.”

“Our golden visa program was a response to a very specific financial crisis. We all understand that,” he adds. “Within the anti-corruption community, we probably all say we don't want to see these schemes full stop, but there are times when governments will do anything to attract investment. So that being the case, what are the safeguards that we put in? What reasonable steps to prevent some of the abuses that we've seen or that we suspect have taken place?”

Asked about whether a golden visa scheme can be designed with integrity, TI UK's Ben Cowdock proposed the following:

- Publishing the names of beneficiaries;
- Having strict checks by companies without a vested interest on individuals from high-risk jurisdictions;
- Following that by checks by law enforcement.

He warns that “Even then, I think some will still slip through the gaps, because with the sort of tick-box compliance culture, you can still have people that are kleptocrats, but haven't yet been convicted, making use of this system. I don't think you are going to have a perfect system, but you can have a better system.”

The key takeaways from this comparison are:

- Unlike in other golden visa countries, the investor residency programme in Malta lacks a clear intervention logic.
- Compared to other golden visas, the Maltese one has both distinct strengths and weaknesses. The risk of a high number of applications coupled with a rule on administrative silence in Spain, the lack of due diligence in Portugal, and the disproportionate real estate footprint in Greece were factors that made these schemes riskier than Malta's. On the other hand, as discussed in chapter 1, Malta's [weak political integrity framework](#) is one of the [distinct risks](#) that extends to its golden visa scheme.
- Since 2022, EU countries have responded to sanctions evasion risks, and Malta, too, closed its golden visa programme to Russian and Belarusian nationals.
- EU countries that retain (or, in Hungary's case, reintroduce) investor residency schemes are moving towards investments in higher added value sectors, such as education, philanthropy, and innovation. Passive investor residency schemes, which offer the right to travel and reside in the EU based on wealth and in exchange for money, are being phased out.

5. Conclusions and Recommendations

In its current form, the golden visa scheme in Malta has been active for around eight years at the time of writing. It has allowed **thousands** of individuals to become EU residents together with several generations of their family. Our analysis shows that the majority of them hail from jurisdictions with high money-laundering risks. Marketed as 'affordable' and 'easy', the Maltese golden visa has, according to the analysed data, not attracted applicants of a profile comparable to the golden passport buyers. Yet it has contributed to the ongoing commercialisation of scarce housing, and it lacked transparency on how the benefits of the programme are distributed in the golden visa "supply chain".

High-ranking government officials promoted the visa scheme as part of Malta's engagement with China, encompassing investments into infrastructure and trade. Instances of revolving doors, from government to visa sales or from visa sales to exports, deserve further public attention. Malta's opaque lobbying landscape impedes public scrutiny of actors and processes that have shaped the golden visa scheme.

To manage the programme, Malta created a dedicated agency, and media reporting on questionable appointments and career transitions has not led to increased meritocracy and transparency. To promote the programme, regional concessionaires were selected following a request for proposals, with their contracts specifying that they would pay civil servants' travel to strategically important regions. There is an overall lack of scrutiny and transparency with regard to the roles and influence of these concessionaires, licensed agents, and real estate actors that are often closely linked to concessionaires and agents. Reviewing legislation and the agency's website, we did not find screening mechanisms to prevent or mitigate conflicts of interest.

Compared to other investment-based residency schemes, the Maltese golden visa does not focus on productive or high-added-value industries. From the beginning, it appears to have been designed to further enrich the real estate sector, which, unlike in other Southern European countries, was not facing a crisis and did not need rescuing. The trickle down effect is limited and depends on closeness to gatekeepers – fertile ground for nepotism and favouritism. These conditions, and co-dependency between private interests and politicians, are unfavourable to whistleblowers or government critics. Meanwhile, as landlords thrive, workers' salaries in the real estate sector have decreased.

The bulk of the demand for golden visas comes from China. The gap between census figures of Chinese nationals and the number of Chinese golden visa buyers (with dependents) shows that most are not living in Malta (participation in a census is compulsory).

The demand for housing in the average bracket exacerbates pressures on locals – citizens or migrants – who are looking for a home. Visa buyers, many of whom do not intend to live in their rental accommodation, are attractive tenants, further fuelling the commercialisation of housing in Malta. We do not have representative data on how they use the rented and purchased homes, but statistical analysis shows that although more golden visas are linked to fewer planning applications, golden visa activity correlates with more trading in real estate (more final deeds of sale). The fact that visa buyers are concentrated in certain areas, especially those already experiencing overdevelopment, is a concern. But it is also a concern that they are contributing to the less expensive areas catching up with others, leaving residents of modest means with ever fewer market options.

This research would have not been possible without application data, internal correspondence and financial documents, shown to the Foundation by sources. If a golden visa scheme was to undergo reforms through an inclusive, transparent and democratic process, the government should first and foremost eliminate the culture of secrecy and make sure that the media, civil society, and the general public could scrutinise reliable, recent and official data. Who are the visa buyers? How do they behave after purchasing the golden visa? How many apartments that they rent are managed by owners of the same companies that provide immigration services? Who are the intermediaries?

The scheme's reputation and standing would benefit from broader improvements in preventing and mitigating conflicts of interest in the Maltese civil service, as well as lobbying transparency. Political appointees and other PEPs involved in every step of the process should be subject to cooling off periods, and ethical requirements should be made more stringent. Appointees who sit on multiple boards should be scrutinised for overlapping interests. High-ranking officials should be selected following a competitive process and screened for past ethical breaches.

The government could also do more to strengthen market mechanisms in each area of visa buyers' financial injection instead of leaving them to rely on calcified networks of influential interests (immigration service and real estate companies, for example). Visa buyers abroad cannot be expected to study the full list of registered NGOs; neither are they likely to search for a place to rent the way a real resident would. A technologically facilitated solution, such as a dedicated website, could help them select a broad area they wish to donate to (e.g. environment or children's rights) and view a list of eligible NGOs, or simply donate to the entire cause and have the donation equitably distributed. As it stands, the requirement to donate to an NGO, when handled by 'one-stop-shop' service providers, is vulnerable to various forms of abuse – astroturfing, concealed political campaign financing, or even undue foreign influence operations, even though the data for the last two years does not show this to be currently happening.

Following their analysis of investor residency schemes around the world, [FATF and OECD recommend](#) countries to cap the number of visa buyers to “ensure adequate resources capabilities for vetting and to mitigate risk by creating a culture of focusing on quality over quantity of applicants”. Among other proposals is “a focus on skills and track record” in eligibility requirements, a requirement of tangible investment outcomes (such as job creation), and “firewalls between case decision makers and immigration representatives and marketing agents”.

In a broader sense, Malta would benefit from an extensive public consultation on which aspects of belonging can be for sale. As it stands, the golden visa scheme further commercialises residency rights and housing. It enriches gatekeepers, leaving local communities with negative externalities of overdevelopment. Meanwhile, the government is not managing to control its debt. The available evidence suggests that golden visas in Malta did not contribute to solving any policy problem, but exacerbated pertinent problems instead.

In Ireland, evidence compiled by international bodies and other entities [reportedly](#) informed the abrupt scrapping of the investor residency scheme. In Greece, the evidence of the scheme's oversized impact on housing affordability is informing the decisions to significantly raise investment thresholds and introduce stricter requirements. Golden visas are also under pressure in Cyprus after an unfavourable report by the Audit Office.

Transparency International in Ireland, the Netherlands and the UK have advocated for these countries' golden visas to be scrapped, the Spanish chapter is supporting the end of such a scheme in Spain. In Portugal and Ireland, TI chapters are calling for full audits of the past golden visas.

In the countries we have examined and interviewed experts in, we and the country experts did not find a single golden visa scheme which does not provoke corruption, reputational risks, and/or inequality. We hope that the evidence our team has collected will also inform policymaking in Malta and at the EU level as well.

Annex 1: Timeline of Events

Date	Development	Source
2013, April 24	Early indications of introduction of visa programme	PR0776
2015, August 25	MRVP Regulations published	SL 217.18
2015, November 27	Call for Request for Proposals (RfP) published for promotion of MRVP in Asia, Europe, Middle East and Turkey, Oceania and South Africa, and the Americas	Calls for RfP
2016, January 15	Deadline for RfP	
2016, January 26	Joseph Cuschieri appointed chair of Evaluation & Adjudication Committee (EAC) for RfP	Letter MEIB/171/2015
2016, February 12	Report of the EAC published, signed by Joseph Cuschieri, William Wait, Cory Greenland and Matthew Vella	Minutes and Report of the EAC
2016, February	Maltese authorities issued the MRVP guidelines	Frendo Advisory
2016, March 19	Service Concession Agreement between Government of Malta (GoM) and SOCEES for the promotion of the MRVP in China	PQ12356
2016, March 21	Launch of MRVP in China	PR160169 (archived)
2016, April	Accepting first applications	
2016, August 23	Service Concession Agreement between GoM and Discus Holdings Limited for the promotion of the MRVP in Turkey	PQ12357
2016, August 23	Service Concession Agreement between GoM and Discus Holdings Limited for the promotion of the MRVP in Russia	PQ12357

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2016, August 24	Service Concession Agreement between GoM and BT International Limited for the promotion of the visas programme in the Middle East	PQ12358
2016 (undated)	Service Concession Agreement between GoM and Henley & Partners for the promotion of the visas programme in South Africa	PQ12459
2017, April 21	Malta Residency Visa Agency (Establishment of an Agency) Order published (Repealed by Legal Notice 97 of 2018)	SL 595.21
2018, March 29	Malta Residency Visa Agency (Establishment) Order published (Repealed by Legal Notice 124 of 2021 - 30/03/2021)	SL 595.26
2018, March 29	Identity Malta, Malta Residence & Visa Agency (MRVA) & Individual Investor Programme (IIP) become three separate agencies	PR180674
2018, September 1	5% from the contribution fee paid by the 'main applicant' to be paid to the approved agent	Govt. Notice No. 1066
2018, September	Golden visa surpasses the 1000 applications benchmark, 300 of them approved; Investment doesn't have to be in government bonds – applicants can buy corporate stock.	Investment Migration Insider
2020, November 20	Agents (Licences) Regulations published	SL 188.5
2021, March 29	Malta Residence and Visa Programme (MRVP) was replaced by the new Malta Permanent Residence Programme (MPRP)	LN 121 of 2021
2021, March 29	Residency Malta Agency (Establishment) Order published, repealed the Malta Residency Visa Agency (Establishment) Order	SL 595.40
2022, March 2	Community Malta Agency and Residency Malta Agency suspended the processing of applications for residence or citizenship from Russians and Belarusians	PR220287

Annex 2: Statistical analysis

Number of planning applications (dependent variable)

Tests of Between-Subjects Effects					
Source	Sum of Squares	df	Mean Square	F	P-value
Intercept	12012758.483	1	12012758.483	3285.376	<.001
Year	1667302.887	21	79395.376	21.714	<.001
District	1681096.528	5	336219.306	91.953	<.001
Year * District	290853.853	105	2770.037	.758	.966
Error	4987375.634	1364			

R Squared = .412

Number of final deeds of sale (dependent variable)

District	Unstandardized Coefficients		Beta	t	P-value
	B	Std. Error			
Southern harbour	53.140	7.760	.857	6.848	<.001
Northern harbour	58.463	18.111	.616	3.228	.005
South eastern	51.418	7.361	.861	6.985	<.001
Western	20.409	6.953	.580	2.935	.009
Northern	52.061	13.276	.689	3.921	.001
Gozo and Comino	86.965	19.156	.740	4.540	<.001

Results of linear regression

Relationship between the number of planning applications and the number of golden visa applications:

	Unstandardized Coefficients		Beta	t	P-value
	B	Std. Error			
Constant	164.956	15.840		10.414	<.001
Number of visa applications	-.711	.346	-.362	-2.055	.049

Relationship between the number of planning applications and the number of rentals by golden visa buyers:

	Unstandardized Coefficients		Beta	t	P-value
	B	Std. Error			
Constant	178.623	19.036		9.384	<.001

Number of rentals	-0.941	0.400	-0.441	-2.355	0.027
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Relationship between the number of planning applications and the size of foreign population:

District	Unstandardized Coefficients		Beta	t	P-value
	B	Std. Error			
Southern harbour	2.143	.354	.515	6.060	<.001
Northern harbour	7.821	1.050	.579	7.451	<.001
South eastern	3.010	.518	.531	5.814	<.001
Western	15.409	2.083	.642	7.397	<.001
Northern	1.991	.302	.697	6.600	<.001
Gozo and Comino	12.416	.894	.798	13.882	<.001

Relationship between the number of final deeds of sale and the number of golden visa applications:

	Unstandardized Coefficients		Beta	t	P-value
	B	Std. Error			
Constant	1964.656	226.558		8.672	<0.001
Number of visa applications	11.517	4.952	.402	2.326	0.028

Relationship between the number of final deeds of sale and the number of rentals by golden visa buyers:

	Unstandardized Coefficients		Beta	t	P-value
	B	Std. Error			
Constant	2309.106	274.348		8.417	<.001
Number of rentals	5.937	5.759	.210	1.031	.313

When combining all districts together, the relationship between the number of deeds and the number of rentals is positive but not significant since the p-value (0.313) exceeds the 0.05 level of significance. For every additional rental, the number of deeds is expected to increase by around 6 deeds.

Relationship between the number of final deeds of sale and the size of foreign population:

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District	Unstandardized Coefficients		Beta	t	P-value
	B	Std. Error			
Southern harbour	12.281	3.861	.747	3.181	.013
Northern harbour	80.231	30.162	.685	2.660	.029
South eastern	54.489	23.227	.638	2.346	.047
Western	68.577	11.885	.898	5.770	<.001
Northern	15.899	4.120	.807	3.859	.005
Gozo and Comino	69.254	18.572	.799	3.729	.008