

# repubblika

A CIVIL SOCIETY MOVEMENT

## NO PRICE ON CITIZENSHIP

Position Paper on  
Malta's "Passport-Selling" Scheme

**1 May 2021**



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## Introduction

Citizenship should, in our view, be the great unifier and the great leveller. And yet our citizenship laws are discriminatory, keep people apart, create hereditary distinctiveness and separation, include inherent injustices, and, therefore, bear the seeds of future conflict.

We are concerned about the present and future consequences of the defects in our citizenship laws, government policy on the subject and the conduct of the public administration in this area.

This is why we embark on this exercise.

This document is one of a series of position papers prepared and published by Repubblika examining what we perceive as weaknesses in or risks to the functioning of our democracy, highlighting particularly what we consider as regressions eroding the rule of law, the principles of good governance and fundamental human rights.

In this position paper, we examine the citizenship of and in Malta, its legal basis, the cultural understanding of its meaning, and lay out our hopes for what we think citizenship should achieve and how we're falling short of them. In this context, we examine citizenship that is recognised by birth and descent, citizenship granted by naturalisation and the "individual investment programme".

After an examination and a critical assessment of official policy on this area, we put forward our recommendations for reforms to citizenship laws that would bring them closer to our aspirations.

Our aspirations stem from our desire for justice, fairness, transparency and inclusion.

Citizenship is the secular bond that brings us and keeps us together as a community of shared interests. As citizens of a community we are heirs to a shared, albeit complex and heterogenous experience, and share a collective understanding of a set of values.

Citizenship is our pass to a permanent and inalienable relationship with the common good that as citizens we are entitled to hold a stake in. Citizenship is how we identify ourselves as



Maltese and Europeans and recognise other citizens whom we may not know personally as rightful holders of that shared identity.

This is why this subject is important.

The laws founding and regulating citizenship have been relegated from the Constitution to ordinary law and in many respects to the whims of the Executive. Citizenship has been placed on retail and reserved for the richer and denied to the poorer. It has been used to create an underclass living among us, institutionalising discrimination largely on grounds of race.

Dealing with this subject has become an urgent duty.



## Maltese citizenship

Malta's Constitution provides that the citizenship of Malta and the citizenship of other countries held by Maltese citizens is to be regulated by law. Beyond post-colonial provisions on the status of citizens of the Commonwealth, however, the Constitution has been stripped of the fundamental rules of how one becomes a citizen and, by inference, what it means to be a citizen.

Clauses on the acquisition of citizenship by birth, descent or marriage and clauses defining the recognition as Maltese citizens of citizens of other countries were taken out of our Constitution in 2000 at the time when citizenship rules were reformed largely to liberalise Malta's dual citizenship rules removing requirements to renounce Maltese citizenship if the citizenship of another country is preferred.

These rules were instead added to the Maltese Citizenship Act, a law that has been in existence since Malta's Independence Day, that recognised as Maltese citizens people born in Malta before its Independence and allowed for the registration of other eligible citizens.

The changes from the year 2000 added the clauses that used to be in the Constitution on how citizenship is granted after Independence.

A citizen is recognised as such if born in Malta to a Maltese parent or if they are descendants of Maltese heritage. A person can be naturalised as Maltese if they are married and living with a Maltese citizen for at least 5 years unless the government finds their naturalisation contrary to the public interest.

The law allows the Minister to naturalise as Maltese anyone who has lived in Malta for at least 7 years, speaks English and Maltese, "is of good character" and "would be a suitable citizen of Malta". In exceptional circumstances, the 7-year requirement can be waived but in practice, applications are only favourably considered when the period of residence is much longer.

The law allows the Minister to scrap the eligibility criteria and grant citizenship to anyone "who has rendered exceptional services (to) Malta or to humanity". This provision was intended for its symbolic value, akin to the traditional granting of the keys to the city and has been used in very exceptional circumstances.



As a result of recent changes to regulations, the application process to be recognised as a citizen having rendered exceptional service to Malta or humanity is subject to oversight by a regulator appointed by the Prime Minister. It is also subject to specific regulations and applicants need to be approved by an evaluation board.

Citizens of other countries can renounce Maltese citizenship if the Minister allows it. The Minister can strike off citizens whose application for naturalisation proves fraudulent. But citizenship can also be taken away from naturalised citizens for being “disloyal or disaffected towards the government”, treason at times of war, long-term imprisonment, or from citizens who moved abroad for the long term.

Ministerial decisions are not subject to appeal.

The most recent innovation is “citizenship by investment”. The Maltese Citizenship Act says that the scheme is overseen by the regulator who is an appointee of the Prime Minister but the scheme is otherwise not regulated by the Act.

Instead, it is managed by two agencies. Identity Malta was set up by subsidiary legislation under the Public Administration Act in 2013. It is required to cooperate with the Malta Individual Investor Programme Agency also set up by subsidiary legislation under the Public Administration Act in 2018.

The Individual Investor Programme was originally set up by regulations under the Malta Citizenship Act in 2014. Those regulations were repealed in 2020 and the IIP scheme was moved to the pre-existing regulations on granting naturalisation for exceptional services.

To be naturalised as recognition of “exceptional services by direct investment”, applicants are required to show that together with their dependants they have lived in Malta for 36 months (that can be reduced to 12) before they are naturalised.

The “direct investment” is defined as an undertaking to buy a property worth €700,000 – the price of an average townhouse – or to take on a monthly lease of at least €1,340 – the rental price for an average town apartment – for five years from the date they are recognised as citizens. The applicants are required to carry out an “exceptional direct investment in Malta” which is a payment of €750,000 plus a payment of €10,000 for each of their dependents, and a donation of €10,000 to some good cause.



Journalistic investigations have consistently shown that the “proof of residence” required with applications is not verified. It is a matter of controversy whether the purchase of a house, or the rental of an apartment for five years, and a one-off cash payment amount to “exceptional services to the Republic of Malta or humanity”.

The process of recognising a citizen has been assigned to administrative agencies set up by legal notices, without parliamentary scrutiny and, with the pretext of autonomy under the Public Administration Act, avoiding accountability even by Ministers in Parliament. There is little to no oversight except for the “regulator” who is an appointee of the Prime Minister in any case.

There are sparse regulations on transparency and in any case, the ones there are, have the effect of legitimising opacity. The agencies responsible have rejected Freedom of Information requests on their activities on grounds of privacy and grounds of concern for Malta’s diplomatic relationships with other countries.

Ministers are empowered to reject citizenship applications or withdraw citizenship that has been granted with little to no due process or review.





## The meaning of citizenship

The debate on what the government describes as the “individual investor programme” and is variously labelled as “citizenship by investment”, “golden passport”, or “passport-sales scheme” often conflates and confuses several distinct concepts that we feel need to be clarified.

Whatever it is that acquirers of Maltese passports desire, what they are granted if their application is successful is the status of citizens of Malta. By extension, they also become, if they aren't already to begin with, citizens of the European Union.

Maltese passports may have been packaged to buyers as high-end Diners' Club cards. But quite apart from the travel perks and other privileges that come with holding a Maltese passport, the scheme endows people who would otherwise not be eligible for it, the status of citizens. Philosophically, at least, that has a material impact on all other citizens since changing the criteria of eligibility for one to be recognised as a citizen, changes in and of itself the nature of that citizenship.

In political discourse, these notions are often dismissed as esoteric and as having no material bearing on people's lives. And, admittedly, these considerations are rarely priorities for most people.

As our name suggests, Repubblika is deeply concerned with the fundamentals of our democratic life as a community. Our interest in citizenship is not merely materialistic, or even as a certificate that endows its holders with extra benefits and rights.

As we see it, citizenship is central to our sense of belonging to a community.

It is the identifier of membership within the community and the formal vocation to contribute towards the community's shared interests.

Citizenship is a 'universal bond' binding the individual into a covenantal relationship with the State and the community. In a multi-ethnic, multi-religious society such as Malta's, it is the only bond that transcends every other particularistic identifier, such as race, ethnicity, religion, gender, and others.



Therefore, shifting these moral and social foundations of the community requires, we would argue, examination. Any change to the rules of eligibility to citizenship needs to be consistent with the very reasons for which citizenship exists, and if the rules are inconsistent with such principles, they should then be changed to ensure consistency is achieved.

Totems of identity in a wider community motivate people to act in the interests of people they may personally not know. This is true for any community which is greater than an extended family. For king, for country, for empire, for one's people, one acts for the well-being of more than for one's self or even one's family. This is most explicit in the motivation of soldiers in armies where individuals put their life on the line for comrades or for the civilian people they will never meet.

These totems are designed, often by elites, to transcend differences. Dying for the king is desirable because it transcends the fact that the king belongs to a different order of wealth, culture, education and opportunity than the soldiers doing the dying. The differences are subsumed in the commonalities. King and soldier fight for the same land, or speak the same language, or practise the same religion and kneel in the same church.

There is no consistent formula for this totemism. Indeed, the notion of the European nation, the antecedent of the contemporary understanding of citizenship, is designed on inconsistent frameworks. Catholicism was a national identifier for the Maltese and the Irish seeking distinction from their Anglican overlords but the same faith was an inhibitor for Italian unification. Linguistic nativism distinguishes the Croats from their neighbours but languages needed designing almost from scratch to identify the Israelis and the Greeks. Belonging to the French nation is a secular commitment to universal principles while being German grows out of German soil as forests and mountains do.

The design of the European nation-State requires coercion, the absorption of individual, local and regional identities, and the abandonment of competing identifiers. The modern European nation suppressed regional flair, dialect and language. It frustrated variations and flavours of religious practice. It wiped away customs and replaced them with officially recognised invented traditions.

Within that process of change, lie the seeds of discrimination, inequality – economic, cultural, and political – and eventually conflict and war.



The European experience called us to reimagine citizenship in a way that transcends these identifiers, on values that are at once universal and immediately recognisable and attributable to the individual. The project of European integration is indeed grounded in the maxim of unity in diversity.

Malta has been slow to heed this vocation. Part of the reason for this is that our historical context has had less horrible causes to shake us into the realisation that we needed to adapt our understanding of belonging to a community.

There are some obvious examples. The colonial experience of a small island community meant that the new nation could easily recognise itself in shared ethnicity, language, culture and religion with little effort needed to include minorities.

Certainly, the language question and the politico-religious controversies of the thirties, fifties and sixties were formed, in part, around cultural divisions that found political expression. The cleavage between the two parties that dominated politics in Malta since World War II is also cultural: if, once, it was principally based on class affiliation, over the past thirty years it has become ever more a matter of fundamental attitudes towards achieving and retaining power and shades of intensity in the commitment to the common good.

But these political cleavages do not reinforce inherent identity divisions that make it difficult for someone who so chooses to change allegiance. Certainly not as difficult as changing sides from Catholic to Protestant in Northern Ireland or from Zulu to Afrikaans in South Africa.

“We are all Maltese brothers and sisters,” the facile political maxim went. The richest and the poorest recognise each other in their cultural and religious choices and understand each other in the language they speak. Politics then could be largely focused on perceptions of a struggle for social justice rather than on any of the cultural barriers to integration and social cohesion elsewhere in Europe.

The reality in Malta changes as it does anywhere else. The antiquated ideas of Maltese nationhood based on colonial and nationalistic notions of ethnicity and religious and cultural identity are becoming ever more inadequate and a cause for discrimination and the denial of rights to people for whom Malta is home.

The long-term consequences of this will be dangerous for the country’s political stability. If second- and third-generation minorities continue to be denied basic rights and continue to



suffer discrimination in housing, education, health care, and so on, we risk considerable challenges that will be much harder to deal with in the future than they are now. An injustice that is carried as an inheritance or imposed as an original sin for descendants of deprived communities, especially if that injustice is reinforced by legal barriers, invites a proportionate reaction. That proportionate reaction is likely to be explosive, perhaps violent.

This has been and is the experience of all other modern democracies. We will not be immune.

As Malta changes and as the profile of the people who make their home in this country also changes, citizenship should be, as we see it, the articulation of the relationship of every individual living in this community with the community itself. And the relationship of those individuals with the State from whom they have a right to expect an equal treatment that other citizens enjoy.

Citizenship is the meeting point of two contradictory ideas.

The first is that the individual is inherently endowed with rights and liberties, an inalienable entitlement that is not handed down to anyone as a gift but that is innate by virtue of one's birth as a human being.

The second is that no woman or man is an island. That the good of the many outweighs the good of the few or the one. That living in a community requires us to consider shared needs and collective rights, often at the expense of our interests as individuals. That, though liberties are inherent, their protection requires the delegation of our sovereignty as individuals to a power outside us that is authorised to restrict our freedoms for the good of the community.

We are, of course, here describing any form of State, and this structure is not necessarily modern or recent.

Nor is the idea of a democratic state incompatible with a nation-State built on cultural or ethnic identifiers. It is just not the State we aspire to. To again resort to glaring examples from other larger communities that needed to untangle far more complex problems of identity and citizenship than ours, apartheid South Africa was democratic but its definition of eligibility along racial lines was inherently unjust. Similarly, pre-Good Friday Agreement Northern Ireland was democratic, but in a political culture defined around lines of religious identities, Catholics were perpetual losers. That meant that for a large minority, democracy was an insufficient tool for citizens to fully realise themselves as such.



The needs of a subset of the community that is trapped in a state of perpetual mistreatment have been expressed, where no other lawful means were possible, through violence. The cause of the suppressed minority of Northern Ireland, say, or the oppressed majority of South Africa, was only heard after violent conflict and much suffering.

If we fail to anticipate our future, we would be responsible for the suffering that is yet to occur.

Malta's case is nowhere near as complicated as the past cases of Northern Ireland or South Africa. But we are accumulating inherent injustices that the Maltese nation-State, where citizenship is defined around an anti-colonial understanding of what it means to be Maltese, is consistently failing to address.

Quite independently of the IIP scheme, the way Malta recognises citizens today falls short of our expectation that citizenship brings together people that properly belong to the Maltese community.



## European citizenship

Since the Maastricht Treaty, and evolving over the generations of treaties after that, the concept of European citizenship has emerged as a complement to citizenship of any one of the Member States.

Since the criteria of eligibility for citizenship are different for each Member State there is no cohesive set of criteria for eligibility to European citizenship. Once an individual is recognised as a citizen of a Member State, all other Member States are obliged to recognise them as eligible to the same rights as their citizens without discrimination.

This “added value” enhances the practical utility of citizenship of any Member State. This is disproportionately true of citizens of smaller countries and there are none smaller than Malta.

The campaign to extend the right to naturalisation to descendants of Maltese migrants took shape around Malta’s accession to the European Union. The symbolic belonging to Maltese heritage that came with citizenship to a third-generation Maltese-Australian became more obviously attractive with a passport that entitled them to visa-free travel and the right to work throughout the EU.

There is no doubt that being a Maltese citizen is not just about being Maltese but also about what one is entitled to do by virtue of being Maltese. This is even truer when considering the significance of European citizenship.

Since European citizenship is in practice an aggregation of the privileges Member States grant their citizens, the obligation to recognise the rights of citizens of other Member States carries with it, concomitant obligations of Member States to administer their citizenships responsibly.

We believe that Malta’s citizenship-sale scheme falls short of those obligations; we will provide reasons why we believe this to be the case.



## Citizenship, therefore, is:

- a secular and recognisable identifier of and for the community; the recognition of entitlement to membership within it; the vocation to contribute to its common good; and the engagement in duty and right to the solidarity within it;
- a legal state of lawful entitlement to the privileges of belonging to the community; and conversely, therefore, a state of non-citizenship is material exclusion from those rights;
- an identifier of being, in the case of our citizenship, Maltese; an enabler that transcends differences and a shared commonality that justifies and underlines solidarity and sympathy;
- the mortar for the building and maintenance of our community as a living, changing and evolving polity; the ticket, untradeable and inalienable, to access our democracy;
- the formalisation of our relationship with the State and the definer of the restraint on the State's powers that are limited by the fundamental rights of its citizens;
- the vocation for our duties and responsibilities towards our community, both formal – such as taxation, voting and public service – and informal – such as volunteering, participation in public discourse, charity and sympathy in disagreement;
- the key to the inclusion of the marginalised, the disadvantaged, the poor or those belonging to a minority on grounds of ethnicity, orientation, origin, but also opinion, faith and persuasion;
- the enabler that empowers every individual member of the community to realise themselves, their hopes and aspirations and their worth, imposing on everyone the duty to respect everyone else's right to be individuals in a community;
- as Maltese citizens, our citizenship is also our identifier as Europeans, upholders of the values of human rights, democracy, solidarity, subsidiarity and peaceful resolution of conflict and that endows us with the right and the privilege to be recognised by all



Member States as if we were their own, entitled to their protection wherever we are in the world.

We cannot conceive the application of a price to any of this.





## People that are born in Malta

Being born in Malta and remaining in Malta for a reasonable amount of time should, by virtue of those facts alone, be recognised by the community as Maltese

Children born in Malta who remain here for a reasonable amount of time know no other place in the world as their home. There are extreme situations where Malta's refusal to grant citizenship to people born here, forces children to grow stateless. They are consequently deprived of the protection of any country in the world. They are not recognised by this community as belonging to it and are denied the right to call themselves its members. This needs addressing.

We also argue that people born in Malta, whatever the nationality of their parents, who grow up as children in this country should be recognised as Maltese, rather than told that the only home they have ever known considers them as aliens.



## The Maltese diaspora

Descendants of Maltese migrants are naturalised if they apply and after proving their ancestry. This fact helps us, we feel, sustain our arguments for changes to the rules of eligibility for citizenship and the processes of its recognition.

Maltese people who are recognised as such through this process fail to meet many of the informal but rigid tests of conventional notions of being Maltese. Many of them do not speak the Maltese language. They do not consider Malta as their home and some are naturalised before they've even visited. Except for perhaps vague ethnic identifiers they would be barely recognisable as 'Maltese' in the conventional sense.

However, they are granted citizenship as a recognition of their belonging to a wider, vaguer but no less legally concrete idea of what it means to be Maltese.

Changes to community life within Malta occur differently to changes as they happen to members of the diaspora, particularly across generations and across planetary distances. However, our secular understanding of citizenship means that we are capable of transcending these differences.

Much as we do not consider the differences between a farmer living in Dingli and a lawyer living in Victoria to be unbridgeable on the strength of their shared status as Maltese citizens, we are prepared to accept that there is enough to keep together these two people with a third-generation Maltese-Australian from Sydney who speaks a smattering of Maltrajan and for whom Malta is an idea of heritage and roots but not a place where they make their living or choose to live and die.

Although we understand that citizenship has practical use in that it helps the world recognise a Maltese person without the benefit of the informal clues that we use to recognise each other, the inclusion in Maltese citizenship of the diaspora shows the emotional and symbolic significance of citizenship as well.

Granted that this perhaps is more important for Maltese migrants and their descendants than it is for people for whom Malta is their home. But it is also a lesson for 'home-born' Maltese, if we may use that term with some irony.



It shows that when it suits us the notions of citizenship evolve around the human condition and that human condition includes migration and permanent settlement elsewhere.

The experience of the Maltese diaspora reminds us that economic hardship or, plainly, the lack of opportunities, drove Maltese people to settle elsewhere. That did not make them any less Maltese. It did not take away from them the way they recognised themselves and the community they belonged to. It drove many of them to travel together, or settle together, or marry from within their community of origin.

Of course, those bonds change with time. They evolve into nostalgia and eventually merely into recognition of one's heritage. The dynamics change as migrants grow into a new sense of belonging not just to the community they left behind but also to the community they have joined.

Maltese people then think of themselves also as Australian people, or British, or American or Canadian. And earlier generations of migrants soon saw themselves as French or Egyptian, over time recalling their Maltese origins as a quaint curiosity but as immaterial to the way they recognise themselves.

There are new waves of a Maltese diaspora as Maltese people continue to settle in considerable numbers elsewhere, particularly in European cities.

But Malta is now also an inward migratory destination. And yet Malta is slow to translate the experience of its emigrants to the recognition of the aspirations and commitment of immigrants.

Our laws are slow to recognise people who settle here as people who belong here. Our procedures, our political culture, the attitudes and decisions of our institutions are often positively hostile to them.

Suffice it to say that it is practically taboo to consider that people who have settled in Malta sometime after their birth may be entitled to participate in general elections, sit as senior civil servants or judges, or represent the people of Malta in public office. That cultural taboo is reflected in and reinforced by the barriers to citizenship that we still have in our system.



## People who make Malta their home

Citizenship that formalises (but does not necessarily create from scratch) the bonds between an individual and the community with which they live should, in principle, not be denied to anyone who has developed those bonds over time.

We, therefore, take a very liberal view of what the requirements for naturalisation should be. Outside marriage with a Maltese citizen that is required to have lasted a minimum of 5 years before naturalisation of the non-citizen is considered, the naturalisation of long-term residents of Malta is an arduous process.

Applications for naturalisation are not processed based on rights but based on an award that is strictly in the gift of the Maltese authorities. The process is designed to intimidate all but the most determined and it is slow to acknowledge and recognise the documented contribution that an applicant would have made normally through several years of paying taxes in the country.

Perhaps the episode that best illustrates the national attitude was when Identity Malta ordered the exile of the children of third country nationals permitted to stay in Malta to work. The order was reversed by the government but not before causing considerable hardship and distress. The incident also reminded people living here that they are here on borrowed time and that even their right to family life, let alone residence, is contingent on the grace of the Maltese authorities.

Similarly the treatment of beneficiaries of the “Specific Residence Authorisation Policy” at the end of 2020 reminded people who have been permitted to live in Malta for some 15 years originally on humanitarian grounds, that the Maltese authorities could exile them at a moment’s notice severing without warning and without healing the ties they developed over time within the Maltese community.

Taxes are only an indicator of commitment to the community. Measuring participation only by counting monetary transactions is reductive. We have among us people who contribute through their labour, their art, their writing, their food, their volunteering, their sport. Not all of these are necessarily taxable contributions but they are valid contributions nonetheless.



The irony is that not even taxation on its own is recognised. Indeed, the Maltese authorities are very swift to ensure that anyone conducting an economic activity in Malta starts to contribute immediately to public expense. But the principle of “no taxation without representation” has not penetrated the process of evaluating candidates for eligibility for citizenship.

An application for naturalisation is normally processed after some 15 years of residence, which we consider excessive. It is also contingent on the status of the applicant on their first arrival in Malta which means that migrants who arrived in the country without complete documentation are practically condemned for life never to be accepted as citizens of this country notwithstanding their contribution to the life of the community here.

This is especially unfair on migrants who arrived in this country as minors, often unaccompanied by parents they were separated from at some point in their dramatic journey that brought them here. They have reached our shores after incredible ordeals, dreaming to find among us the dignity they could never enjoy in the countries where they were born. And yet, even as they honour the cultural and economic requirements of a full life in this community, even as they learn the language and pay their taxes, they are effectively excluded for life from the basic right of calling Malta their home.

Naturally, if they were to have children here with anyone who is not a Maltese citizen, their status as permanently excluded will be passed on as an original sin to their offspring.

Citizenship should, in our view, be the great unifier and the great leveller.

When one settles in Malta and makes this place their home and when they contribute to life here, we see no further requirement for them to be understood to be Maltese in the fullest legal and political sense.

We deem any antiquated identifier that is, incidentally, in our law excluded as grounds for discrimination, to be irrelevant. Our law does not allow us to distinguish between Maltese people on grounds of, say, gender or race or ethnicity or sexual orientation. And yet we still apply these identifiers as grounds to discriminate between people when deciding whether they are eligible for citizenship.

Formally our laws do not say that white people should stand a better chance of being naturalised as Maltese than black people should. But in practice, the policy on determining



one's eligibility to naturalisation based on the legal status of their first arrival in Malta means that blacks are kept apart from whites. We reject this idea as unfair and contrary to the unifier we expect citizenship to signify.

Although the right to vote in national elections may not be the topmost consideration in the priority list of a person seeking to be naturalised, the exclusion of people who live here but are denied citizenship from the political community is a form of stratification. Our understanding of democracy is built on universal suffrage. The power and right to vote and participate in the electoral process is supposed to give all members of society, no matter their status or wealth, the keys to self-improvement. Permanent or long-term disenfranchisement is not merely unfair. It is contrary to the Constitutional intent for Malta to be a democracy built on universal human rights.

Our laws and our political culture also encourage us to seek to apply public policy to reduce inequality and to avoid perpetuating someone's status as poor and excluded but on the contrary to lift the poor up to be as close as possible in their ability to live a full life as the rich.

This does not imply any fundamental prejudice against the rich.

We think that someone who has come to Malta, made this country their home, invested their wealth in economic activities in Malta that brought about the employment of people and the contribution to the nation's wealth through taxes, should be, after a reasonable amount of time that confirms their commitment to the country, be recognised for what they in practice are: Maltese.

But wealth should not be the only criterion for eligibility. Talent, skill, labour, art are contributions Malta should be keen to welcome and make its own.

We think that artists and artisans, researchers and academics, people who provide services, people who work in their employment or the employment of someone else, people who teach, who build, who clean, who help, who heal, who lead ... anyone really, whatever their wealth and their income who made their life in Malta should, after a reasonable amount of time that confirms their commitment to the country, be recognised for what they in practice are: Maltese.



Recognising the rich and ignoring the poor is discrimination on social and economic grounds that belongs to political culture and a legislative framework that long ago we were supposed to have evolved out of.

And yet on the matter of naturalising citizens, it is clear that undeclared policy that is exercised with devastating effect is discriminatory on unacceptable grounds such as race or wealth.



## Attracting people

As activists, we are sometimes caricatured as being hostile to foreign direct investment. This is not the case, though we caution against policies that are justified purely based on money as if money justifies itself. We do not propose that globalisation is reversed, though we aspire to a fair global system that is ecologically and socially sustainable.

This is not the paper to elaborate either a global or even a national, economic vision. For the present discussion, we merely highlight that we are not hostile to people who bring capital from outside Malta and invest here in profitable economic activities.

We also understand that as a community we compete with others near and far from us to attract economic activity to Malta and that in many respects we suffer from particular disadvantages including insularity, low scale and a fragile eco-system that is easily disturbed by development that in a larger context would be deemed sustainable.

Within reason, strong ethical limits, and the needs of ecological and social sustainability, we support efforts by our authorities to sharpen Malta's competitive advantage in this effort.

The first and most obvious way of sharpening that advantage is to minimise and remove artificial barriers to inward investment that are within the State's control.

These barriers could be fiscal, though some of these are no longer within the exclusive remit of the Maltese authorities as they are in part regulated at the European level. But the barriers could also be administrative and State-induced and the Maltese authorities have the means to reduce these.

This is where the tests of reason, ethics and sustainability come in. A barrier to economic development is the restriction on developing buildings in the countryside. It would be attractive to a company that requires factory space if the government waived rules restricting outside zone development. But such a policy would fail the test of ecological sustainability.

Similarly, investors could be discouraged from investing in Malta if they were required to apply for a visa to visit Malta every time they needed to come here, staying in line at some embassy in a capital city very far from their home shuffling with people who want to come here for a holiday, say.





We see no reason why immigration rules should be in and of themselves barriers to investment, particularly investment of the sort that meets the basic tests that we list here. The authorities should be, and indeed are, perfectly free to provide someone opening an economic activity in Malta of the sort that makes strategic sense for the country to attract, with fast lane credentials to avoid unnecessary bureaucracy, to clear their right to come here and stay here as often and for as long as they need.

Indeed, as we have argued above, if their commitment to Malta is long-term and they effectively settle here, we would consider it perfectly desirable for these investors to be recognised as Maltese in full effect.

From our point of view, these are people our community needs and it is of benefit to us all as a community that investors find their way here and choose Malta as the destination for their investment.

This is not a matter of wealth. If our national health service or our bus service or our elderly living alone at home in need of care, cannot find the human resources they need within the country, our country must become the welcoming place for people who choose to move here. Any barriers to their arrival should be kept practical and if they prove they are committed to Malta over a reasonable period, they should be recognised as Maltese.

We are arguing therefore that our rules of naturalisation as they exist belong to a reality that no longer subsists. It is not only people who marry a Maltese citizen and stay with them for 5 years that can prove they are committed to Malta.

A doctor who has worked at our national health service for 5 years, whose husband lives with her here and earning his keep in some other job, whose children, maybe one of them even born here, go to school in Malta, who pay taxes here and who have made their home in Mosta or Nadur, should not struggle to prove themselves eligible for complete recognition as Maltese citizens.

Therefore, the idea may start as practical: why should we treat an investor who opens a factory, or a carer who works in the home of an elderly person in a way that discourages them from choosing Malta for their investment or their work? Why should we not make it easier for them to get here and stay here?



But it soon merges with the symbolic but fundamental considerations we give to citizenship. Why should anyone who has made Malta their home be called anything but Maltese?



## Our reasons to object to the IIP scheme

The IIP scheme does not meet in any way our aspirations for how Maltese citizenship should be granted. It fails on the first and most fundamental test of the purpose and meaning of citizenship because it does not, in any way, recognise, formalise, or even, at the very least provide the motivation for, a relationship between the naturalised citizen and the Maltese community and its State.

With very few exceptions that could be accommodated with ordinary naturalisation, acquirers of Maltese passports under the IIP have no interest in Malta or the Maltese community as such. By 'interest' we do not mean casual curiosity that can be compared with a visiting tourist. We rather mean any form of engagement or commitment to the life of the Maltese community, whether that engagement or commitment manifests itself in economic, cultural, political, philanthropic or philosophic activities or views.

The scheme was never intended to achieve this.

Recent leaks of correspondence related to application processes under the IIP scheme exposed a broadly callous approach to the requirement of a "genuine link" with Malta with applicants seeking the "bare minimum" commitment, seldom even visiting the properties they purchased or leased as part of the application process. Their indifference to Malta and anything Maltese (apart from the citizenship they were acquiring) is staggering and offensive.

Going beyond the "bare minimum" evolved in a points-scoring system giving the whole affair a veneer of bureaucratic objectivity. But recent press reports expose the "220-point" system as a sham desperately stretching the meaning of "genuine" and "link" to bridge the gulf between the so-called investor's level of interest and what would be reasonable to expect from someone expressing the wish to be recognised as the national of a country and a community with a sense of self, as the Maltese have been for centuries.

The complicity of the agencies of the Maltese State is embarrassingly colonial, servile and undignified. They could argue they were after the money and nothing more. But the Maltese State has repeatedly claimed the policy of selling passports was intended to grow and cultivate Malta's Statehood and enrich it with the addition of "people of talent". Instead, these agencies exchanged Malta's dignity of Statehood for thirty pieces of silver.



Malta's IIP scheme used the template of other schemes that existed for a few years offered by very small countries in the Caribbean. We mean no disrespect to smaller island countries that have been or continue to be colonies of European countries. After all, relative to most other countries in the world, we could easily fit in that description and are often the victim of arrogant dismissal.

However, 'citizenship by investment schemes' offered by micro-states like St Kitts and Nevis (pop: 52,000), Dominica (pop: 71,000), St Lucia (pop: 180,000), Grenada (pop:110,000), Antigua & Barbuda (pop: 97,000) and Vanuatu (pop: 300,000) are not models we aspire to.

These countries have a sovereign right to recognise whoever they please as their citizens. But we cannot ignore the fact that their schemes to grant people entirely unconnected to them the status of citizens has attracted suspicions on the intent, credibility and respectability of these countries on the world stage.

There are several documented instances where people using passports issued to them by these countries have been found using those passports to hide their identity or their origin from law enforcement agencies of other countries. For example, several Caribbean states enjoyed visa-free travel rights in the United States, Canada, the UK and other countries. This was exploited by citizens of countries who do not enjoy these visa-free travel privileges. This way they managed to avoid scrutiny and in several documented cases that fact helped them get away with criminal or illicit activity.

In principle, we are not keen on restricting travel for people wherever they come from. But the subterfuge has had the effect of creating a prejudice against all holders of passports from these countries because any one of them could have acquired that passport by simply buying it.

These micro-States have often justified these schemes as a necessary tool for their economic development. Their insularity, size, lack of natural resources, peripherality and economic under-development required them to be "creative" with their economic model. This has been Malta's experience as well.

However, as citizens, we are entitled to expect Malta's economic model to be founded on ethical and sustainable principles and to be consistent with our status as a Member State of the EU.



Malta's IIP scheme adopts the model of peripheral micro-States and applies it to European citizenship. Much as an acquirer of a St Kitts & Nevis passport can be reasonably expected never to visit or to commit themselves to that country, acquirers of Maltese passports under the Maltese scheme have no interest in Malta itself.

But an acquirer of a Maltese passport gets more than an acquirer of a St Kitts & Nevis passport. That's not because there's a greater attraction in Malta itself than there is in St Kitts & Nevis. It's only because Malta's citizenship is also the citizenship of the EU.

We have two objections to this. The first is that the citizenship of a country – ours – has been floated on a market where its greater value to people acquiring it for a price justifies a higher price than the citizenship of another country.

That reduces, in the most mundane and materialistic way possible, citizenship to a tradable commodity. We appreciate our view is not unanimous. But we feel that this commodification destroys the symbolic and the substantive but no less fundamental importance of citizenship that we have explained above.

Once a price is put on something it is no longer inherent to the condition of all that are eligible to it. And once the price is designed to reserve a privilege for those wealthy enough to afford it to the exclusion of everyone else, the meaning of the State as a unit of solidarity between all members of the community rather than an exclusive club of those endowed with money is completely lost.

This is socially unjust. Social justice that is reserved to people whom the government decides are eligible to it is no justice at all. Social justice that is reserved for millionaires is no justice at all. We have incorporated in the design of our State (because eligibility to citizenship is at the very heart of what it means to be part of the State) a privilege for the very rich that is denied to everybody else. This defies what we understand a modern and fair State to be.

To say we have incorporated this in the design of the State may give the mistaken impression that we are referring to Constitutional provisions. Indeed, one is right to expect that rules on citizenship (effectively, the entrance ticket to membership in the State) should be defined in the Constitution. They used to be. But as we have explained above they were taken away, transferred first to ordinary law, and subsequently transferred to ministerial discretion and patronage. To us, this is wholly unsuitable.



The second objection is that any additional value that comes from holding a Maltese passport, rather than a passport from any other micro-State selling their citizenship, is a consequence of our membership in the EU.

For reasons explained above, by doing this our country falls short of its obligation to act in good faith in its relationship with our partners in the European Union. We impose on them the obligation to treat acquirers of our citizenship without a genuine link or interest in our country as if they were native to the citizenship of theirs. And we do that whilst pocketing the entry fee.

But the European dimension of this bears a deeper pain for us. As with monetising Maltese citizenship, monetising and retailing European citizenship cheapens and trivialises what we understand European citizenship to be.

For those who consider membership in the EU as an economic transaction, being able to sell European citizenship and pocketing the money is yet another neo-colonial extractive engagement, a way of profiting callously from a relationship they only perceive on a cost-benefit basis.

For us, being citizens of the EU means signing up to and honouring European values of democracy, the rule of law, solidarity, subsidiarity and sustainability. We have no reason to believe anyone buying a Maltese passport is doing so out of a moral desire to subscribe to these values. It is certainly not a selling point featuring anywhere in the publicity material for the scheme. But the freedom to travel, work, invest and settle in any Member State while someone falsely claims to be Maltese is foremost in the USP of this 'product'.



## Malta's IIP experience

Malta has accepted and recognised the fake identity of Ali Sadr Hashemi Nejad, holder of multiple St Kitts & Nevis passports who successfully hid his Iranian nationality as he acquired a license to open Pilatus Bank in Malta. Pilatus Bank was eventually shuttered by the intervention of the European Banking Authority and the European Central Bank for systematic money laundering. Ali Sadr Hashemi Nejad was tried in the USA for financial crimes alleged to have been committed before he acquired a license in Malta. Charges were eventually dropped because of prosecutorial misconduct.

Acquirers of Malta's passport under the scheme included to name some examples:

- Nguyen Thi Nguyet Huong, a Vietnamese MP who was forbidden by the laws of her country to hold any other passport. Recent press reports suggest that a large number of beneficiaries of the IIP scheme come from countries where second citizenship is forbidden. The actions of the Maltese State in these situations place in serious jeopardy Malta's diplomatic relationship with these countries;
- Pavel Melnikov, the Russian-born chairman of the Airiston Helmi real estate firm which was raided by Finnish financial police in September 2018 on suspicion that it was a front for a giant money-laundering operation;
- Mustafa Abdel Wadood, Egyptian-born and charged with fraud and conspiracy by the US government;
- Liu Zhongtian, Chinese-born and owner of a huge Chinese aluminium conglomerate and indicted in 2019 by a US grand jury for smuggling aluminium into the US and dodging \$1.8 billion in taxes;
- Arkady Volozh (founder of Russian search engine Yandex), Boris Mints (owner of the major investment company O1), and Alexander Nesis (founder of equity group ICT), all shortlisted by the United States treasury in a 'Kremlin Report' targeting oligarchs close to Vladimir Putin for potential sanctions.

Irina Orlova, Evgeny Filobokov, and Viktor Vashkevich also acquired Maltese passports. Some of the money they paid went into Brian Tonna's account in the British Virgin Islands. Out of



that account payments made their way into Keith Schembri's Pilatus Bank account. No specific evidence was found that conclusively shows the payment to Keith Schembri amounted to kickbacks from the passports. But the payments have never been fully explained and are the subject of ongoing criminal proceedings.

Malta's IIP scheme was operated by Henley & Partners, the subject of multiple investigations about suspected political interference and election manipulation in several other small jurisdictions. Despite denials, journalistic investigations continue to confirm the relationship between Henley & Partners and Cambridge Analytica (and other related organisations and people) over the years. Cambridge Analytica was shut down after it was exposed for industrial-scale voter manipulation in several democracies. It is impossible to rule out the suspicion that the Henley & Partners and Cambridge Analytica tandem has also been active in Malta.

Henley & Partners have marketed Malta's IIP scheme as the jewel in their crown of worldwide offers, no doubt because of the "added value" of Maltese citizenship. They have also made a lot of song and dance about the quality of due diligence incorporated within Malta's scheme. This has been necessary to certify the credibility of the product they were retailing.

But journalistic investigations have revealed a callous attitude to due diligence by local operators who assured journalists pretending to be applicants with a criminal record that their contacts with Maltese political leaders could arrange passports for them even though they appeared to be ineligible. And more recent press reports show that Henley & Partners and the Maltese authorities shifted towards each other the responsibility of proper due diligence while the regulator passively looked on.

We are not surprised that the IIP scheme has had a corrupting influence on the conduct of Malta's State affairs. By granting passports to people that were eventually exposed as being active in criminal conspiracies in other countries, the Maltese State has harmed the collective reputation of all Maltese citizens.

The IIP scheme also creates a vulnerability, possibly opening Malta and, by extension, the EU to penetration by State and non-State actors that are profoundly hostile to the values embodied in our constitution, in the European treaties and, indeed, in our cultural heritage. The IIP may also increase our vulnerability to penetration by terrorist cells and to clans of organised crime. Given the close links between organised crime and business and political





elites in virtually every one of the countries of origin of the IIP beneficiaries, this possibility cannot be underestimated.

News reports covering the stories of the persons listed above and several others reported that their Maltese citizenship was “fake”, a sort of ‘flag of convenience’ granted to someone who would have otherwise failed the law enforcement checks of a more organised country or the country of their origin. That makes all holders of Maltese passports, including of course the passport issued to ordinary and law-abiding Maltese people, as suspect and possible camouflage for criminal intent.

This is confirmed by consistent anecdotal evidence from the experience of Maltese travellers abroad who consistently report being met by suspicious immigration authorities: the much-vaunted ‘strength’ of Malta’s passport may have been true on the day the IIP scheme first started but has now become hollow propaganda, if not misleading advertising.



## The high risks potential

The OECD identifies citizenship schemes that, like Malta's, do not require a significant physical presence in the jurisdiction offering the scheme as presenting a high risk of being used to circumvent the OECD's Common Reporting Standard. This is based on the premise that most individuals seeking to circumvent the CRS via the passport-selling scheme will wish to avoid income tax on their offshore financial assets and would not be willing to fundamentally change their lifestyle by leaving their original jurisdiction of residence and relocating to Malta.

The OECD recommends that financial institutions do not rely on information and documentation provided by people holding passports acquired by schemes like Malta's. This alone is an indication of the mistrust that Malta as a financial jurisdiction has brought upon itself merely by adopting the scheme in 2014.

The OECD lists residential schemes in 14 countries in the world "that potentially pose a high risk to the integrity of the Common Reporting Standard." Of these 14 jurisdictions, only 6 provide citizenship sales schemes: Antigua & Barbuda, Cyprus, Dominica, Grenada, Saint Kitts & Nevis and Saint Lucia. The remainder (Bahamas, Bahrain, Barbados, Seychelles, Turks and Caicos Islands, the UAE and Vanuatu) sell residential or land-owning rights.

Cyprus has since suspended its citizenship scheme because of major corruption allegations which leaves Malta as the only EU jurisdiction offering its citizenship for sale and presenting through its scheme high risk to the G20/OECD common reporting standard.

We highlight this fact because we are often confronted with the argument that "other countries do it". At least within the EU, Malta's scheme is exceptional in being as secretive and requiring such little engagement between the country and the person to whom it gives the status of citizenship as to amount to an international financial risk in and of itself.

Malta's scheme has been described by the OECD as a back door for money launderers into the European and global financial system.

Whatever financial benefit is generated by the scheme, the damage to the reputation of Malta on the world stage is incalculable.

We list these reasons:



1. Malta's financial services industry pre-dates the passport-selling scheme by several years. However, the new risks brought in by the passport scheme have damaged its reputation for reliability and eroded severely the trust enjoyed by Malta's financial services providers by association with the passport scheme. In the world's eyes, Malta stopped being a financial services jurisdiction and became rather a passport-selling jurisdiction.
2. The economic benefit of the passport-selling scheme must not be overstated. It has certainly generated considerable revenues for the public fund and has created revenue streams for landlords of rented apartments and for service providers that make the scheme attractive to these. However, selling passports has a negligible multiplier effect, generating close to zero productive employment.
3. The activity is also unsustainable in that pressure on Malta to abolish the scheme is unlikely to subside. This means this is not an economic activity that can be sustained in the long term and the government's planning priority should be on finding new, sustainable, streams of revenue rather than seeking to defend the scheme in vain.



## Excessive discretion

The IIP and the processing of applications for naturalisation and the possible revocation of citizenship, in either case, is governed by excessive administrative and Ministerial discretion, that is not subject to review and that allows for unacceptable discrimination between applicants or between citizens being stripped of citizenship.

Recent press reports suggest that the prime minister's discretion appears to have gone as far as ordering a change to the name published in the Government Gazette of a citizen naturalised under the IIP scheme to cover up the applicant's identity. Whilst we argue that the law allows excessive discretion, it now appears that the government has exercised discretion beyond even the loosest interpretation of legal limits.

If citizenship is, as we argue, inherent to and symbolic of the sovereignty of the individual, the power of the State to decide when to recognise or no longer to recognise a citizen is to be very carefully defined, restrained and exercised on behalf of the interest of the community and in full respect of that individual's right.

Instead, applications for naturalisation are processed based on the working assumption that applicants have no rights and that the Minister or the agency reporting to them needs only to decide whether to hand down citizenship as a unilateral gift or not.

Considerations that should be irrelevant in all executive decisions, including race, faith, or, as the law puts it "suitability as a citizen" and "good character" or "disloyalty or disaffection towards the government", are applied as a matter of course in processing applications for naturalisation.

Perhaps even more seriously the consideration of how more or less wealthy an applicant is – a consideration that is naturally irrelevant to the provision of all public services or access to the public good – is applied to the decision on whether someone should or should not be recognised as a citizen.

Wealth, or the payment of fees, might be considered objective. But even in this respect, admission or refusal is decided upon in an entirely and unacceptably discretionary fashion.



We consider this is an inappropriate methodology for the governance of the country and, as experience has shown, an open invitation to opportunities of corruption of decision-makers and persons in authority.



## Opacity

The lack of transparency surrounding Malta's passport-selling scheme is not only a matter of concern for the world's financial system and financial institutions following the recommendations of the OECD.

Domestically, the unprecedented secretiveness of the scheme has eroded confidence in our public administration.

Even though acquirers of Maltese passports have been granted the status as a result of a government scheme, they are listed in the Government Gazette with and without any distinction from, all other persons that have been naturalised as Maltese through a process that recognises their rights established by law.

Therefore the name of a child whose heritage is recognised by a Maltese citizen and is therefore naturalised as Maltese is listed together with a person who has spent a million euro for the privilege.

This is, to begin with, offensive to people who have secured their naturalisation through engagement in Malta. It is also discriminatory against people denied or left waiting for naturalisation despite their engagement in Malta.

But it is also a tool of secrecy because it makes it harder for anyone scrutinising the government's conduct to identify who has acquired Maltese citizenship by purchasing it. Since acquirers of passports usually purchase it in family groups, while citizens naturalised through marriage, say, or long-term residence, normally acquire citizenship as individuals, the government circumvents the risk that family groups are identified when multiple people with a shared surname are listed together in an alphabetised list.

Exceptionally (and rather comically) the government does this by listing the names of naturalised citizens alphabetised by their first names.

More importantly, the addresses provided by the successful applicants for citizenship where they claim to have lived for the mandatory 12-month period before they are entitled to apply are kept as a closely guarded State secret.



We know from lists of addresses released by administrative error, and more recently by press reports on the back of leaks of files related to IIP applications, that in almost all cases addresses provided by applicants are fictitious. No one lives in the addresses because they are unsuitable housing, uninhabitable, or inhabited by other people with no connection to the supposed applicant. In some cases, the properties where applicants claim to have lived for more than a year are phantoms that have never been constructed.

This proves that the government is willing to accept applications bearing false information which should, in principle, invalidate the application. The government tacitly agrees not to verify the information provided about the applicant's Malta address, and to avoid scrutiny suppresses information about the addresses.

This is nothing short of willful complicity in fraud. As such, given the systematic nature of this cheating, or as it has been generously described, this "loophole" in the law, we find that the government's complicity renders the scheme fraudulent in and of itself. This is a swindle perpetrated by the IIP service providers on behalf of their clients. But it is also an inside job and the guy on the inside is the government of Malta, including its agencies and the regulator set up by law to ensure compliance.

If the government is willing to openly accept a lie about the supposed residence of an applicant, it is clear to us the government would be willing to accept any other sort of lie in the application including the applicant's true identity, their true country of origin, their true criminal history, and their true eligibility under the published guidelines of the scheme.

Recent press reports have shown that in some cases the government was even willing to lie on behalf of these clients, agreeing to cover up their identity and falsify their names in official government publications.

We are horrified about this for several reasons.

Firstly, that if you're rich enough the government will be happy to lie on your behalf, but if you aren't rich enough you can fully expect to be punished for lying. Meaning that laws of the country are not applied equally, the administration is not blind, and a privileged moneyed elite has been imported into Malta for the first time since the country's independence.

Secondly, if the government is willing to present lies in its official publications in this case then we are given reason to suspect the government would be willing to lie in its official



publications about anything. We have often complained of the eroding trust between the country's rulers and the ruled. Yet we remain aghast at ever-worsening extents to which the authorities would be prepared to go to deceive the Maltese public.

The regulator of the scheme has publicly stated that they recommend that secrecy about the scheme is increased by abolishing even the publication of the names of naturalised citizens at all to avoid any of the names recognised, as sometimes they are.

This demonstrates two things: firstly, that the authorities are not only willing to recognise persons unconnected to Malta as citizens of Malta with equal status as people naturalised as Maltese through a very strict, restrictive and tight filter. But they are also willing to give people who spend money to buy their passport more rights than people who acquire it by right by giving them special privileges of secrecy, openly considering avoiding acquirers of passports the inconvenience of having their names published in the Government Gazette as required by law. In helping them hide their identity or information about their genuine origin or true place of residence, the government recognises these 'citizens' have something to hide.

The second consideration is that the regulator of the scheme considers the national interest and their responsibilities as served by satisfying the needs of paying applicants rather than the rights of ordinary Maltese citizens. The perverse elitism in this approach and the servile attitude to millionaires at the expense of everyone else is, as we see it, truly reprehensible.





## Revocability

Perhaps to appease concerns about people who have acquired Maltese citizenship and proceeded to be charged or perhaps convicted of financial crimes elsewhere, the government has made public assurances that it would cancel the citizenship of such people.

We were not comforted by this announcement.

As we see it, the nature of citizenship as inherent to the membership of citizens in a community is such that it only makes sense if it is irrevocable.

When a person is convicted of even the most heinous crimes and is punished, under our laws, for the most severe punishment on our books, a life sentence, we still do not contemplate depriving that person of their citizenship. As we see it, no matter their action and the punishment they are lawfully served with, an individual's inherent and fundamental rights remain inalienable. Their status as a citizen is distinguished from their ordinary freedoms which are lawfully circumscribed as a result of their conviction.

Therefore a convicted prisoner may be forced to spend the rest of the life in detention but that does not mean that they can be tortured because there is no lawful way that any citizen or human being can be treated in such a manner.

Yet under the citizenship for sale scheme not only have the authorities found a "cheap" way of granting citizenship (by selling it) but they have also applied a "cheap" way of taking it away (by exercising their discretion).

We have earlier argued that the passport-selling scheme has, by introducing monetisation, affected the nature of citizenship itself and therefore the relationship of every Maltese citizen with their country. Similarly, by exercising political discretion in the denial of the status of someone as a citizen, the authorities have diluted the inalienable nature of citizenship.



## Conclusion and Recommendations

On the grounds of:

- the erosion of the true value of citizenship;
- the unfairness of providing a scheme that is restricted to the very wealthy to the exclusion of everyone else;
- the damage to Malta's reputation;
- the risk to the financial system;
- the risk of consequential complicity with financial criminals;
- falling short of our obligations to our partners in the European Union;
- the erosion caused by administrative secrecy; and
- the excessive political discretion in the application of the law on citizenship,

it is our strongly held view that Malta's citizenship should not be offered to anyone against a price.

Our central proposal, therefore, is for the passport-selling scheme to be abolished altogether and immediately.

We support the action taken by the European Commission that has finally ruled that Malta's scheme is an infringement of EU law and hope that the Maltese authorities will not drag the country into an expensive and futile defence of this scheme.

But the abrogation of the IIP is insufficient in our view.

We must address the issues of unrestrained Ministerial discretion, sketchy governance and the near-complete absence of oversight in the administration of our citizenship. We are not only concerned about the vulnerability of the Maltese community to the exposure of risk as a result of the IIP scheme. We are also deeply concerned about the vulnerability of people who request or ought to be entitled to request to be considered to be admitted to Maltese citizenship.

We would also support the following reforms:



- that the basis for the recognition of citizenship is re-introduced in the Constitution from where it was removed;
- that persons born in Malta who grow up here are recognised as citizens without regard to the nationality of their parents;
- that the criteria for naturalisation are eased to allow anyone with a sincere commitment to life in Malta to acquire citizenship within a short number of years; and
- that the criteria for naturalisation encourage entrepreneurs, as well as artisans, artists, workers, academics and scientists to commit to a life in Malta and for that commitment to be recognised with citizenship within a short number of years.

We would ask the government to open nationwide consultations on these reforms to consider economic, social and political perspectives and to ensure the inclusion of all people who call Malta their home.