



The Director

CENTRE FOR TAX POLICY AND ADMINISTRATION

Mr. Scicluna
Minister of Finance
Malta

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Dear Minister,

I am writing to you to draw your attention to the work we have started at the OECD to address the mis-use of residence by investment (RBI) schemes and citizenship by investment (CBI) schemes to circumvent Common Reporting Standard (CRS). You may remember that I shared concerns in this connection about the Maltese residence by investment scheme, when we met early last year in Malta.

Last month we issued a [consultation paper](#) that assesses how these schemes are used in an attempt to circumvent the CRS, identifies the types of schemes that present a high risk of abuse and explains next steps the OECD will undertake to further address the issue, assisted by public input.

Earlier this month we also adopted model mandatory disclosure rules, which require promoters and other intermediaries to disclose CRS avoidance arrangements. The adoption of such model mandatory disclosure rules will have a deterrent effect on the promotion of CBI/RBI schemes for circumventing the CRS and provide intelligence to tax authorities about the use of these schemes. As you know, EU Member States have already agreed to implement these rules as part of a wider directive on mandatory disclosures.

More specifically with respect to RBI/CBI schemes the OECD is currently compiling a list of schemes that present a high risk of being mis-used for circumventing the CRS. Although countries will be consulted in this process and we don't want to anticipate the outcome of this work, we are concerned that the Maltese RBI scheme is likely to be included in such a list.

This is why I would like to offer our help to explore with your team possible mitigating measures that could be taken to prevent the mis-use of the Maltese residence by investment scheme. If you are interested we are happy to set up a call between our respective teams.

Yours sincerely,

Pascal Saint-Amans
Director, CTPA