



INTRODUCTION

Malta is a pretty small island in the heart of the Mediterranean, with a rich history and a great number of historic sites. Malta is a member of the European Union, the euro zone, and part of the Schengen area, thus people coming from countries who are also members do not need any entry Visa. It is an ideal place to take up residence, as the country offers a range of benefits to individuals seeking to take up residence on the island, given its advantageous tax regime and competitive cost of living. Malta offers an extensive number of tax incentives aimed at attracting foreign expatriates.

THE RESIDENCE PROGRAMME RULES

The Residence Programme Rules, 2014 (RPR) were introduced by virtue of Legal Notice 270 of 2014 and came into force from 1st July 2013. The RPR effectively replace the High Net Worth Individuals Rules applicable to EU/EEA/Swiss nationals Rules.

CONDITIONS FOR APPLICATIONS UNDER THE RESIDENCE PROGRAMME RULES

An individual who is not a permanent resident of Malta and who is eligible to apply under the RPR must prove to the satisfaction of the Commissioner for Revenue (the Commissioner) that such individual satisfies all of the conditions set out below:

- is an EU, EEA or Swiss National but is not a Maltese national;
- does not benefit under the Residents Scheme Regulations, the High Net Worth Individuals – EU/EEA/Swiss Nationals Rules, the High Net Worth Individuals – non EU/EEA/Swiss Nationals Rules, the Malta Retirement Programme Rules, the Global Residence Programme Rules, the Qualifying Employment in Innovation and Creativity Rules or the Highly Qualified Persons Rules;
- holds a 'Qualifying Property Holding' which is defined as immovable property situated in the Maltese islands which was either (i) purchased in Malta for a consideration of not less than €275,000; or in Gozo or in the South of Malta for a consideration of not less than €220,000; or, (ii) rents a property in Malta for not less than €9,600 per annum; or €8,750 for a property situated in Gozo or in the South of Malta. In all cases, the said property must be occupied as the primary place of residence;



- is in receipt of stable and regular resources which are sufficient to maintain him/herself and his/her dependents as defined in the RPR, without recourse to the social assistance system in Malta;
- is in possession of a health insurance for him/herself and his/her dependents;
- is a 'Fit and Proper' person;
- is in possession of a valid travel document; and
- is fluent in one of the official languages of Malta.

TAX TREATMENT

Individuals who qualify under the RPR are taxable at the rate of 15% on foreign source income remitted to Malta (remittance basis of taxation) with the possibility to claim double taxation relief subject to the minimum annual tax liability referred to below. The income of a beneficiary, his/her spouse and children not chargeable to tax under these Rules (i.e. at the rate of 15%) is chargeable at the rate of 35%.

A minimum annual Malta income tax payment of €15,000 is payable by the individual. This minimum tax is due for payment by not later than 30th April of the year in which the income is received in Malta and must be accompanied by a return made to the Commissioner confirming that all the conditions of the scheme have been satisfied. The minimum amount is payable in full in both the year when the special tax status was granted, and in the year when the individual ceases to possess the said special tax status.

APPLICATION PROCEDURE

An application for special tax status in terms of the RPR may only be submitted to the Commissioner through the services of a person who qualifies as an Authorised Registered Mandatory and on the prescribed application form.



A non-refundable administrative fee of €6,000 is payable to the Commissioner on application. In the event that the qualifying owned property is situated in the South of Malta, the administrative fee is reduced to €5,500. A list of localities has been published for the purpose of identifying towns and villages defined in the rules as the "South of Malta" and is set out below:

Birzebbugia	Cospicua	Fgura	Ghaxaq
Gudja	Karlkara	Kirkop	Luqa
Marsascala	Marsaxlokk	Mqabba	Paola
Qrendi	Safi	Santa Lucija	Senglea
Siggiewi	Tarxien	Vittoriosa	Xghajra
Zabbar	Zejtun	Zurrieq	

CONTINUING OBLIGATIONS

The RPR provide for a list of continuing obligations that need to be satisfied by all successful applicants, being that the individual:

1. must not become a Maltese, or a third country national;
2. must retain holdings of the Qualified Property Holding;
3. must not become a permanent resident of Malta;
4. must retain insurance for him/herself and his/her dependents and continue to have stable resources; and
5. must not stay in any other jurisdiction for more than 183 days in a calendar year.

WHY NEXIA BT?

Established by Brian Tonna, managing partner, Nexia BT is a corporate and private client advisory, audit, accounting and tax firm. Our clients are local and international blue chip companies, financial and other institutions, SMEs, high-net-worth-individuals, the public sector and high-end organisations.

As a reputable organisation of over 25 years standing, and forming part of a worldwide network of independent business advisors, consultants, auditors and accounting firms present in over 120 countries, we are optimally positioned to offer global expertise. Along these years, we have built client loyalty around a credible reputation for delivering results whilst working to the highest professional standards.

Nexia BT's strength lies in the technically competent staff with experience across a varied range of industry sectors. We deliver solutions to our clients through a high calibre customised service reflected in the professional work approach and ethics of our staff and driven by our ethos 'Closer to you'. With the backing of this business approach, we confidently present you Nexia BT as your trustworthy, dependable and reliable partner in Malta.

Nexia BT is an authorised representative mandatary.

CONTACTS

For further information please contact:



Karl Cini
Partner

✉ karl.cini@nexiabt.com

🌐 www.nexiabt.com

☎ T: +356 21637778 F: +356 21634383

The Penthouse, Suite 2
Capital Business Centre
Entrance C, Triq taz-Zwejt
San Gwann SGN 3000
Malta EU

Find us on



This marketing material has been issued by Nexia BT, having registered address at The Penthouse, Suite 2, Capital Business Centre, Entrance C, Triq taz-Zwejt, San Gwann SGN 3000, Malta. Any information within this brochure should be taken as a general guide only and should not be taken as advice. Its application to specific situations will depend on the particular circumstances involved. Readers are recommended to seek professional advice and should not rely on information provided in this brochure as a substitute for such advice. While all reasonable attempts have been made to ensure that the information contained herein is accurate, Nexia BT accepts no responsibility for any errors or omissions it may contain, whether caused by negligence or otherwise, or for any losses, however caused, sustained by any person that relies upon it. BTI Management Limited is registered as a Company Service Provider by the Malta Financial Services Authority. BT International Limited is authorised by the Malta Financial Services Authority to provide fiduciary services which do not include acting as a Trustee. Both companies form part of the Nexia BT Group.