



# Moving to Malta



Highly Personalised Expertise



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An attractive EU location, Malta offers five residence schemes to meet different individual circumstances. Each scheme provides an opportunity for individuals to move to Malta and/or to gain Maltese citizenship and, subsequently, a Maltese passport.

## Background

Malta is an appealing EU jurisdiction offering a temperate climate and attractive beaches. Located in the Mediterranean Sea, just south of Sicily, the Maltese archipelago consists of the three islands of Malta, Gozo and Comino. The area of these Maltese islands is 316 square kilometres and the largest island is Malta, which has a population of approximately 425,000. Maltese and English are the joint official languages of Malta.

## The five residence schemes available are:

### Individual Investor Programme

The Individual Investor Programme (IIP) enables non-EU individuals and their families to gain Maltese citizenship by making a cash contribution and meeting certain other criteria.

Maltese citizenship provides a Maltese passport. A key advantage of obtaining a Maltese passport is that it is an EU passport, therefore providing freedom of residence anywhere in the EU and ease of travel throughout the world.

#### The main applicant must make the following investments:

- Contribute €650,000 to the National Development and Social Fund
- Purchase property in Malta with a minimum value of €350,000, to be held for five years, or rent a property for a minimum value of €16,000 per annum for a minimum of five years
- Invest a minimum of €150,000 in eligible Government stocks, shares or debentures for five years

There is a further requirement before the applicant and family are eligible to take up residence in Malta. The Malta IIP requires an additional contribution of €25,000 for a spouse and for each child under the age of 18. A contribution of €50,000 is required for each unmarried child between the ages of 18 and 25 years and for each dependant parent over the age of 55.

### Residence and Visa Permit Programme

The Maltese Government introduced a new residence programme in August 2015. It is available to non-EU individuals and enables them to reside indefinitely in Malta.

#### The criteria for the programme are:

- A €30,000 contribution to the Maltese Government and
- An investment of a minimum of €250,000 in Malta or Gozo for at least five years and

- The purchase of a property in Malta with a minimum value of €320,000 (€270,000 if the property is situated in Gozo or the south of Malta) or rental of a property in Malta for a minimum of €12,000 per annum (€9,000 per annum if the property is situated in Gozo or the south of Malta). The property must be owned or rented for at least five years

Individuals, taking advantage of this programme, who are not of Maltese origin and intend to stay in Malta for some considerable time but do not intend to permanently establish themselves there, will be classified as resident but not domiciled in Malta.

Such individuals will be taxed on Malta source income and certain gains arising in Malta. They will not be taxed on non-Malta source income not remitted to Malta. Capital gains will not be taxed even if they are remitted to Malta.

### Global Residence Programme

The Global Residence Programme entitles non-EU nationals to obtain a Maltese residence permit through a minimum investment in property in Malta.

Successful applicants can relocate to Malta if they choose to do so. They also have the right to travel to any country within the Schengen Zone of countries without the need for an additional visa(s).

A key advantage of the Global Residence Programme is that a flat rate of 15% tax is charged on foreign income remitted to Malta, with a minimum €15,000 in tax payable per annum. Foreign source income not remitted to Malta is not subject to tax in Malta. Individuals may also be able to claim double taxation relief under the regime.

To qualify for the scheme an individual must purchase property costing a minimum of €275,000 or pay a minimum of €9,600 per annum in rent. If the property is in Gozo or the south of Malta the minimum property value is €250,000 or €220,000 respectively, or a minimum rent payment of €8,750 per annum is required. In addition an applicant must not spend more than 183 days in any other jurisdiction in any single calendar year.

### Highly Qualified Persons Scheme

The Highly Qualified Persons Scheme is directed towards professional individuals earning over €81,457 per annum, employed in Malta on a contractual basis. When such individuals move to Malta, income tax is set at a flat rate of 15%. No tax is payable on income earned over €5 million per annum relating to an employment contract for any single individual.

This scheme is open to EU nationals for five years and to non-EU nationals for four years. A list of qualifying positions is available on request.

## Malta Retirement Programme

The Malta Retirement Programme is designed for EU nationals whose main source of income is their pension. A minimum investment in property in Malta must take place and a flat rate of 15% tax is charged on the pension remitted to Malta.

The minimum amount of tax payable is €7,500 per annum for the main applicant and €500 per annum for each dependant. Income that arises in Malta is taxed at a flat rate of 35%.

An individual must own or rent a property in Malta as his/her principal place of residence in the world. The minimum value of the property must be €275,000 in Malta or €250,000 in Gozo or south Malta; alternatively property must be leased for a minimum of €9,600 annually in Malta or €8,750 annually in Gozo or south Malta. In addition there is a requirement for an applicant to reside in Malta for a minimum of 90 days each calendar year, averaged over any five year period. EU nationals must not reside in any other jurisdiction for more than 183 days in any calendar year during which they benefit from the Malta Retirement Programme.

Whitmill can assist in organising visits to Malta, making the applications for the Maltese residence programmes, and introducing a comprehensive range of professionals to assist with the relocation process and manage matters after relocation has taken place, both personal and commercial.

## Authorised Registered Mandatory

An Authorised Registered Mandatory is required in Malta to submit applications for the various Maltese residence schemes on behalf of individuals. Whitmill is able to assist, and through its network of contacts and professionals, introduce you to an Authorised Registered Mandatory.

*Please note that the information and any commentary on the law or tax related matters contained in this document is only intended as a general statement and is provided for information purposes only and no action should be taken in reliance on it without specific legal or tax advice. Every reasonable effort is made to make the information and commentary accurate and up to date, but no responsibility for its accuracy and correctness, or for any consequence of relying on it, is assumed by the author. Further this factsheet is not intended to amount to legal advice.*

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