



The Global Residence Programme

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Malta

'Easy to settle in and to make friends' is the picture given by the InterNations 2016 August report of the Maltese Islands. A former British colony, Malta boasts idyllic climate, leisure possibilities and quality healthcare, making the small nation a top destination for expatriates. English is widely spoken which facilitates settling in and overcomes language barriers. An economic overview report published by the European Commission forecasts a steady performance of Malta's gross domestic growth while maintaining a low inflation and unemployment rates. Interestingly, a recent survey by Business Insider shows that personal happiness of expats is at its highest in Malta.

At a Glance

Benefits

- Remittance basis of taxation
- 15% flat tax rate on taxable remittances to Malta
- Residence in Malta
- Visa-free travel throughout the Schengen Areas
- Access to Malta's Double Tax Treaties

Main conditions

- Residential property in Malta: Purchase min €275,000; rental min €9,600 (less if located in the South of Malta or Gozo), occupied by the beneficiary as their principle place of abode worldwide
- Health insurance
- Minimum tax of €15,000 payable per annum
- Spend less than 183 days in any other single jurisdiction
- Administration fee of €6,000 (reduced to €5,500 in certain circumstances)



The Programme

The Global Residence Programme (GRP), launched in 2013, enables qualifying applicants and their dependents to benefit from a flat tax rate of 15% subject to satisfying certain conditions, including:

- Is not a national of Malta or any other EU/EEA state;
- Holds a qualifying property by way of purchase at a minimum value of €220,000 or by way of lease at a minimum rent of €8,750 per annum for properties in Gozo or the South of Malta (per a predefined list of qualifying areas). For properties purchased anywhere else the minimum property value is €275,000 or minimum rent of €9,600 per annum for leaseholds. Notes: the property cannot be sublet, only the beneficiary and their dependents per the Programme may reside in the property.
- The beneficiary is not benefitting from any other special tax status or residence programme (other than the Malta Residence and Visa Programme);
- Pays an annual minimum tax of at least €15,000 upon income arising outside of Malta which is received in / remitted to Malta;
- Applicants receive regular and stable income to maintain themselves and their dependents;
- Does not spend more than 183 days in any other single jurisdiction;
- Holds a comprehensive health insurance covering himself and all dependents for all risks across the whole of the EU;
- Can adequately communicate in one of Malta's official languages (Maltese or English);
- Is of good character.

Tax implications

Malta's remittance basis of taxation means non-domiciled individuals are only subject to Maltese tax on income arising outside of Malta to the extent that it is received in Malta. The status grants the beneficiaries and their qualifying dependents a flat 15% Malta tax rate on any such income which is remitted to / received in Malta, subject to the payment of the minimum tax (payable in full in both the year when the tax status is received and the year when it ceases to apply, as well as each full tax year for which the status applies). Any chargeable income and gains arising in Malta would generally be taxable at a flat 35% rate of tax. Finally, any capital gains arising outside of Malta, would not be subject to Maltese tax.

Points to note

The status does not in and of itself entitle the holder to exercise any rights other than those expressly granted. For example, the exercise of employment activity remains subject to the employment license requirement.

Further, although only the beneficiary and their qualifying dependents are entitled to reside in the qualifying property, household staff (subject to various conditions) may also be permitted to reside with the beneficiary.

Tax Residence Certificate

A Tax Residence Certificate ('TRC') may be issued by the Maltese Inland Revenue Department, however issuance of such is subject to the beneficiary satisfying to the Maltese Inland Revenue that s/he is a tax resident of Malta in terms of Maltese domestic law.

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