



Malta's Double Tax Treaties

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In order to encourage the growth of international trade including that of financial services, successive Maltese governments have sought to conclude double tax treaties with important trading partners as well as with emerging countries. This policy is expected to continue in the future. To date, treaties are in force with 77 countries.

The following table illustrates the treaty withholding tax rates when dividends, interest and royalties are paid from treaty countries to Maltese residents. In general there is no withholding tax under Maltese law on dividends, interest and royalties even where a treaty allows such tax.

Country	Dividends			Interest	Royalties
	Rates for Minority Shareholding	Rates for Majority Shareholding	Required for Majority Shareholding	Rates	Rates
	%	%	%	%	%
Albania	15	5	25	5	5
Andorra	0	0	n/a	0	0
Austria	15	15	n/a	5	0/10 ^[1]
Australia	15	15	n/a	15	10
Azerbaijan	8	8	n/a	8	8
Bahrain	0	0	n/a	0	0
Barbados	15	5	5	5	0/5 ^[1]
Belgium	15	15	n/a	0/10 ^[2]	0/10 ^[1]
Botswana	6	5	25	8.5/0 ^[3]	7.5/5 ^[4]
Bulgaria	0	0	n/a	- ^[5]	10
Canada	15	15	n/a	15	0/10 ^[6]
China	10	5	25	10	10 ^[7]
Croatia	5	5	n/a	0	0
Cyprus	15	15	n/a	10	10
Czech Republic	5	5	n/a	0	5
Denmark	15	0	25 ^[8]	0	0
Egypt	10	10	n/a	10	12
Estonia	15	5	25	10	10

Country	Dividends			Interest	Royalties
	Rates for Minority Shareholding	Rates for Majority Shareholding	Required for Majority Shareholding	Rates	Rates
	%	%	%	%	%
Finland	15	5	10	0	0
France	15	0	10	5	0/10 ^[11]
Georgia	0	0	n/a	0	0
Germany	15	5	10	0	0
Greece	10	5	25	8	8
Guernsey	0	0	n/a	0	0
Hong Kong	0	0	n/a	0	3
Hungary	15	5	25	10	10
Iceland	15	5	10	0	5
India	10	10	n/a	10	10
Ireland	15	5	10	0	5
Isle of Man	0	0	n/a	0	0
Israel	15	0	10	0/5 ^[9]	0
Italy	15	15	n/a	10	0/10 ^[10]
Jersey	0	0	n/a	0	0
Jordan	10	10	n/a	10	10
Korea	15	5	25	0/10 ^[11]	0
Kosovo	10	0	10	5/0 ^[12]	0
Kuwait	0	0	n/a	0	10
Latvia	10	5	25	10	10
Lebanon	5	5	n/a	0	5
Libya	15	5	10	5	5
Liechtenstein	0	0	n/a	0	0
Lithuania	15	5	25	10	10
Luxembourg	15	5	25	0	10
Malaysia	0	0	n/a	0/15 ^[13]	15
Mauritius	0	0	n/a	0	0
Mexico	0	0	n/a	0/5/10 ^[26]	10
Moldova	5	5	n/a	5	5
Monaco	0	0	n/a	0	0
Montenegro	10	5	25	10	5/10 ^[14]
Morocco	10	6.5	25	10	10
Netherlands	15	5	25	10	0/10 ^[1]
Norway	15	0	10 ^[15]	0	0
Pakistan	- ^[5]	15	20	10	0/10 ^[4]
Poland	10	0	10 ^[15]	5	5
Portugal	15	10	25 ^[8]	10	10
Qatar	0	0	n/a	0	5
Romania	5	5	n/a	5	5
Russia	15 ^[16]	5 ^[16]	15	15/5 ^[17]	5
San Marino	10	5	25	0	0
Saudi Arabia	5	5	n/a	0	5/7 ^[18]

Country	Dividends			Interest	Royalties
	Rates for Minority Shareholding	Rates for Majority Shareholding	Required for Majority Shareholding	Rates	Rates
	%	%	%	%	%
Serbia	10	5	25	10	5/10 ^[14]
Singapore	-	-	n/a	7/10 ^[19]	10
Slovak Republic	5	5	n/a	0	5
Slovenia	15	5	25	5	5
South Africa	10	5	10	0/10 ^[9]	10
Spain	5	0	25	0	0
Sweden	15	0	10	0	0
Switzerland	15	0	10 ^[20]	0/10 ^[21]	0
Syria	- ^[22]	- ^[22]	n/a	10	18
Turkey	15	10	25	10	10
Tunisia	10	10	n/a	12	12
UAE	0	0	n/a	0	0
Ukraine	15	5	20	10	10
UK	- ^[5]	- ^[5]	n/a	10	10
Uruguay	15	5 ^[18]	25 ^[23]	10	5/10 ^[24]
USA	15	5	10	10/15 ^[25]	10
Vietnam*	15	5	50	0/10 ^[27]	5/10/15 ^[28]



Treaties signed but not yet in force

Armania, Curacao, Ethiopia and Ghana.

Treaties being (re)negotiated

Bosnia and Herzegovina, Bulgaria, Oman and Thailand.



Treaty

1. 0% for the use of, or right to use copyrights of literary, artistic or scientific work.
2. 0% for interest paid to the State of Malta, the Central Bank of Malta or any other institution which is wholly owned by the State of Malta.
3. 0% applies for interest paid in respect of a loan granted or guaranteed by a financial institution of a public character with the objective of promoting exports and development.
4. 5% for the use of, or right to use, industrial, commercial, or scientific equipment and 7,5% in all other cases.
5. Source State taxation is not restricted by treaty. Hence, the domestic tax rate may be levied.
6. 0% for the production or reproduction of literary, educational, dramatic, musical or artistic work.
7. Tax on royalties derived as a consideration for the use of, or right to use, industrial, commercial, or scientific equipment shall not exceed 10% on an amount corresponding to 70% of the gross amount of the royalties
8. Held for a 12 month period prior to the date the dividends are declared.
9. 0% applies to interest paid by the Government of that Contracting State, a political subdivision, a local authority or the Central Bank thereof and interest paid to a resident of the other Contracting State on corporate bonds traded on a Stock Exchange in the first- mentioned State.
10. 0% for the use of or right to use, any copyright of literary, artistic or scientific work, cinematographic films or tapes for television or broadcasting.
11. 0% for interest paid in connection with the sale on credit of any industrial, commercial or scientific equipment or paid in connection with the sale on credit of any merchandise by one enterprise to another.
12. 0% applies to interest on loans granted by banks, inter-company loans, indebtedness arising from certain sales on credit, interest paid to collective investment schemes or interest paid to central banks or local authorities.
13. The 0% rate applies to interest paid on loans as defined in the Malaysian Income Tax Act.
14. 5% applies to the use of or, the right to use copyright of literary, artistic or scientific work including cinematograph films or films or tapes used for radio or television broadcasting.
15. Held for an uninterrupted period of 24 months. This period can also be met after the payment of dividends is made.
16. 5% applies when at least 15% of the shares of the receiving company are freely traded on a registered stock exchange; and the receiving company holds (for not less than 365 days) at least 15% of the shares in the company paying out the dividends. Also applicable to dividend payments made to insurance institutions, pension funds or specific Russian or Maltese state bodies and to local central banks.
17. 5% applies when at least 15% of the shares of the receiving company are freely traded on a registered stock exchange; and the receiving company holds (for not less than 365 days) at least 15% of the shares in the company paying out the interest. Interest payments made to insurance institutions, pension funds or specific Russian or Maltese state bodies and to local central banks. Also applicable to interest payments made by Russian and Maltese taxpayers on Eurobonds, corporate bonds and government bonds.

18. 5% applies to royalties paid for the use of or the right to use, industrial, commercial or scientific equipment.
19. 7% applies if the interest is received by a bank, 10% in all other cases.
20. Held for an uninterrupted period of 24 months. This period can also be met after the payment of dividends is made.
21. 5% applies to the use of or, the right to use copyright of literary, artistic or scientific work including cinematograph films or films or tapes used for radio or television broadcasting.
22. Source state taxation is not restricted by treaty. Hence, the domestic tax rate may be levied. However, total Malta or Syrian tax on the profits of a company and the dividends distributed by such company, as the case may be, shall not exceed the maximum of the tax chargeable on the profits of the company out of which the dividends are paid.
23. 7% applies if the interest is received by a bank, 10% in all other cases.
24. Held for at least 12 months and provided both companies:
 - are subject to and not exempted from tax;
 - are not resident for tax purposes in a third state under any double taxation agreement; and
 - have adopted the form of a limited liability company.
25. 0% applies to interest paid between associated companies and to interest paid in connection with the sale on credit of any industrial, commercial or scientific equipment; in connection with the sale of any merchandise by one enterprise to another enterprise; or on any loan of whatever kind granted by a bank.
26. Lower rate of 5% also applies if the beneficial owner is a Collective Investment Scheme.
27. 5% for the use of or the right to use, any industrial, commercial or scientific equipment, and copyright of literary, artistic or scientific work.
28. 15% applies to interest that does not qualify as portfolio interest.
0% applies in four given scenarios, 5% applies to interest from.
29. Loans granted by certain banks, 10% applies in all other cases.
Interest arising in a Contracting State shall be exempt from tax in that State if paid:
 - A. to the Government of the other Contracting State/Central Bank thereof in relation to any loan, debt-claim or credit granted by any such bodies.
 - B. in respect to a loan, debt-claim or credit guaranteed or insured by an institution for insurance or financing of international trade transactions which is wholly owned by the other Contracting State or by the Government of the other Contracting State.
30. 5% applies for the use of, or right to use any patent, design or model, plan, secret formula or process, for information concerning industrial or scientific experience. 10% applies for the use of, or right to use a trademark or for information concerning commercial experience, and 15% in all other cases.
31. 5% applies in respect of the use of or the right to use industrial, commercial or scientific property. 7.5% applies in all other cases.



Contact us:



André Zarb
Senior Partner
andrezarb@kpmg.com.mt



Simon Xuereb
Partner
Private Client and Global Mobility Services
simonxuereb@kpmg.com.mt



Anthony Pace
Partner
Head of Tax
anthonypace@kpmg.com.mt



Clifford Delia
Partner
Corporate Accounting Services
clifforddelia@kpmg.com.mt



Juanita Brockdorff
Partner
Tax Services
juanitabrockdorff@kpmg.com.mt



Lisa Zarb Mizzi
Partner
Tax Services
lisazarbmizzi@kpmg.com.mt



Doreen Fenech
Partner
Tax Services
doreenfenech@kpmg.com.mt



Paul Pace Ross
Director
Tax Services
paulpaceross@kpmg.com.mt



John Ellul Sullivan
Partner
Tax Services
johnellulsullivan@kpmg.com.mt



Roderick Borg
Director
Tax Services
roderickborg@kpmg.com.mt

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