



Highly Qualified Expatriates

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Introduction

Highly Qualified Expatriates working in the Financial Services, Aviation, Gaming and Assisted Reproductive Technology Sectors may benefit from a reduced flat rate of tax of 15%.

The Benefit

A beneficiary of the status is eligible to be taxed at a flat rate of 15% on the income earned from a qualifying contract of employment in an eligible office, provided that the income, excluding the value of any fringe benefits, exceeds a minimum annual amount as adjusted annually for inflation, €84,016 for 2018. In addition, no Maltese tax would be charged on qualifying income exceeding €5,000,000 earned during the eligibility period of the status.

The eligibility period is generally of 5 years for an EEA / Swiss national and 4 years for third country nationals, subject to a possibility of a one-time extension, provided that the total period of benefit may not exceed 10 / 8 years as applicable. The eligibility period commences from the year in which the individual first becomes taxable in Malta and must in all cases end on or before 31st December 2025

Eligible Employments and Offices

a) Employment with a company licensed by the competent authority or an undertaking holding an air operators' certificate in one of the following roles:

Chief Executive Officer	Chief Operations Officer (including Aviation Accountable Manager)	Chief commercial Officer
Chief Risk Officer (including Chief Fraud and Investigations Officer)	Chief Technology Officer	Chief Financial Officer
Portfolio Manager	Chief Investment Officer	Senior Trader
Senior Analyst (including Structuring Professional)	Actuarial Professional	Chief Underwriting Officer
Chief Insurance Technical Officer	Odds Compiler Specialist	Head of Research and Development (including Search Engine Optimisation and Systems Architecture)
Aviation Continuing Airworthiness Manager	Aviation Flight Operations Manager	Aviation Training Manager
Aviation Ground Operations Manager	Head of Marketing (including Head of Distribution Channels)	Head of Investor Relations

b) Employment with an undertaking holding an aerodrome license issued by the competent authority, in the role of:

Chief Executive Officer

c) Employment in the Assisted Reproductive Technology sector in one of the following roles:

Embryologist	Responsible Person	Lead Quality Manager
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Eligibility

In order to be eligible for the status, the beneficiary must satisfy a number of conditions, including:

- Derive sufficient emoluments payable from a qualifying contract of employment;
- Not acquire domicile for tax purposes in Malta;
- Obtain the endorsement of the relevant competent authority evidencing that s/he performs the activities of an eligible office;
- Hold the required professional qualifications or experience; and
- Hold adequate health insurance in respect of themselves and all dependents.

Further neither the employer nor any related person may have received a benefit or an arrangement in terms of the business incentive laws. Similarly the expatriate must not have benefitted from incentives available to investment services and insurance expatriates.

Withdrawal or Claw-back of the benefit

The rules governing the incentive provide for the withdrawal of the benefit if the beneficiary's stay in Malta is not in the public interest. In the case of third country nationals, the benefit can also be clawed back if:

- His/her physical stay in Malta exceeds 4 years, unless such excess is in terms of the one-time extension of this status; or
- S/he acquires, directly or indirectly, real rights over immovable property situated in Malta.

How can KPMG help?

KPMG Malta can advise you and/or your employees in relation to the personal tax and immigration implications of the employment, one's eligibility in terms of any available special tax status as well as assisting with the preparation and submission of any application in terms thereof.

If you would like to know more about this status, or indeed to discuss any other personal income tax matter, get in touch with your local KPMG contact or the undersigned; we're here to help.



Contact Us



Anthony Pace

**Partner,
Tax**
+356 2563 1137
anthonypace@kpmg.com.mt



Simon Xuereb

**Partner,
Tax - Private Client Services**
+356 2563 1147
simonxuereb@kpmg.com.mt



Louise Grima

**Associate Director,
Tax - VAT Compliance/ Advisory**
+356 2563 1253
louisegrima@kpmg.com.mt

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