



# THE RESIDENCE PROGRAMME RULES

## AT A GLANCE

### MAIN CONDITIONS

- Non-refundable administrative fee of €6,000
- Property in Malta – minimum value if purchased: €275,000, minimum value if rented: €9,600 per annum
- Health insurance
- Annual minimum tax of €15,000
- Must spend not more than 183 days in a calendar year in any one other foreign jurisdiction

### BENEFITS

- Residence in Malta
- Visa-free travel within the Schengen Area
- Ability to work in Malta (subject to obtaining a work permit)
- Remittance basis of taxation
- 15% flat tax rate on taxable remittances to Malta
- Malta's double tax treaties apply

This residence programme confers a special tax status on EU/EEA/Swiss nationals. Applicants must satisfy certain conditions, which are listed hereunder:

## PROPERTY

- Applicants are required to own a Qualifying Property, being property in Malta purchased for a value of **not less than €275,000**.
  - If the property is situated in Gozo or in the South of Malta the purchase value **should not be less than €220,000**.
- This property must serve as the applicant's habitual residence & that of any accompanying family members & household staff.
- Alternatively, an applicant may opt to rent property in Malta for not less than **€9,600 per annum**
  - If the property is situated in Gozo or in the South of Malta the minimum rent must not be less than **€8,750 per annum**.

## FINANCIAL RESOURCES AND INSURANCE

- The applicant must also be in receipt of stable and regular resources, which are sufficient to support himself/herself, as well as any accompanying dependants.
- Applicants must therefore be **economically self-sufficient** and both the applicant and any dependants must hold adequate health insurance covering the EU territory.
- The applicant must satisfy a "fit and proper test" in order to be granted a permit under this Programme.

## INCOME TAX

- A 15 per cent rate of tax is charged in respect of foreign income remitted to Malta, with the possibility of claiming double tax relief.
- The minimum annual tax stands at €15,000 after claiming any applicable double tax relief.
- Income arising in Malta will be taxed at 35 per cent.

The above minimum amounts of tax payable are not refundable.

## ENTRY AND STAY IN MALTA

- On the basis of such Residence Programme status, one would be able to apply for the appropriate immigration documentation to be able to reside in Malta.

Applicants may not spend more than 183 days in a calendar year in any one other foreign jurisdiction.

## ADMINISTRATIVE FEE

- A one-time administrative fee of **€6,000** is levied by the Malta Government. This is reduced to €5,500 if the Qualifying Property is situated in the South of Malta.
- Beneficiaries under The Residence Programme (except for dependant minors) are also allowed to carry on an economic activity in Malta.

## ANNUAL COMPLIANCE

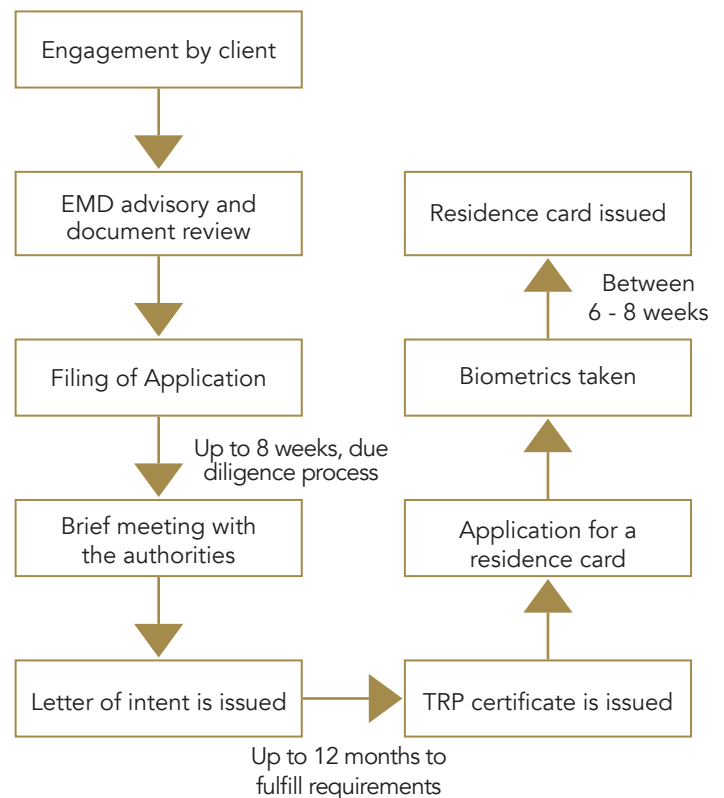
- An annual tax return must be submitted together with a Compliance Form confirming adherence to the Programme's requirements

## SUBMISSION OF APPLICATIONS

- An application for special tax status under the Residence Programme may only be submitted through the services of an Authorised Registered Mandatory.

EMD, as an Authorised Registered Mandatory, may assist you with your application for residency under this Programme as well as with any tax and compliance obligations related to the Programme.

## APPLICATION PROCESS OVERVIEW





## PURCHASE OF REAL ESTATE

Foreigners may freely purchase one residential property in Malta, subject to obtaining an AIP (Acquisition of Immovable Property) permit.

- This restriction does not apply to properties in Special Designated Areas and, in the case of EU citizens who have not been resident in Malta for at least five continuous years, to property which is to serve as their primary residence.
- Where one of the spouses is an EU citizen and the other spouse is a third country national, both can acquire property without the necessity of obtaining an AIP permit, provided the acquisition is being made to establish therein their primary residence.
- Also excepted is the acquisition of immovable property by an EU national for the conduct of one's business activity or for the supply of services by such person.
- On the other hand, EU citizens who have been resident in Malta for at least five continuous years may purchase any number of properties they wish.

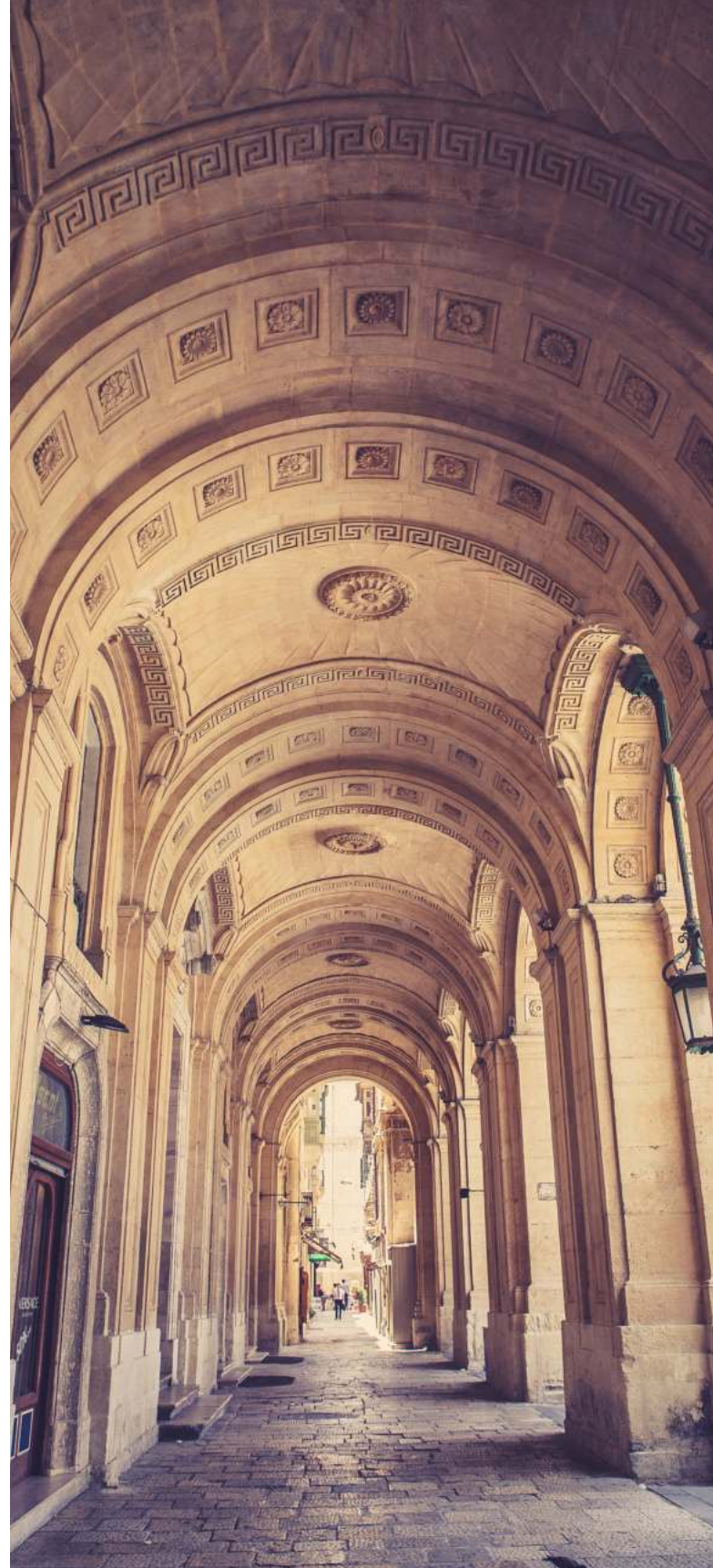
Where the purchaser requires an AIP permit, the property must satisfy a certain minimum value which changes periodically.

## IMPORTATION OF HOUSEHOLD GOODS AND FURNITURE

Individuals taking up residence in Malta may import their household goods and furniture into Malta free of VAT and import duties. If the imported goods originate from a country outside of the EU, residents are required by the customs authorities to make a deposit or provide a bank guarantee for the amount of VAT/duty in question. Generally VAT is due on goods imported from outside the EU. This is to ensure that there is a level playing field since within the EU VAT is levied on products and services. A VAT exemption may apply depending on the nature of the good (some foodstuffs, pharmaceuticals, medical supplies etc. and also goods on which customs duty is exempt but as described below a guarantee would then be required for a period of time). The guarantee is to ensure that persons do not abuse of the exemption and import goods that are not their personal belongings and then go on to sell the items in the EU and make a better profit since the cost would have been without VAT.

Upon evidence of stay in Malta for a cumulative period of 200 days in a period of 365 days, the deposit will be refunded.

Persons moving to Malta who owned a vehicle for at least 2 years before moving to Malta can import the vehicle free of registration tax, upon showing evidence of ownership for such period.



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EN-About Malta-v1/2020

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