

Malta Ordinary Residence Permit

Residing in Malta

Pursuant to Malta's accession to the European Union (EU) in 2004 and, furthermore, in light of the provisions of applicable domestic regulations, an EU/EEA or Swiss national should generally be entitled to enter, remain and reside in Malta and to seek and take up employment or self-employment in Malta. An EU/EEA or Swiss national citizen having sufficient resources to maintain her/himself and family members should likewise be entitled to reside in Malta.

Such rights to reside in Malta should also be extended to apply in favour of family members accompanying or joining the EU citizen in Malta – including family members who are not nationals of a EU Member State and/or a partner with whom the EU citizen has a durable relationship.

Malta Tax Implications

An EU citizen exercising his/her entitlement to take up residence in Malta would be subject to tax in Malta on:

- Chargeable income arising in Malta – including income from employment or self-employment and domestic source investment and passive income;
- Chargeable capital gains realised in Malta – generally upon a disposal of immovable property situated in Malta or domestic securities;
- Chargeable income (not gains) arising outside Malta to the extent that such income is received in Malta.

A Malta resident individual would not, suffer ANY tax in Malta on:

- Income arising outside Malta which is not received in Malta; or,
- Capital gains realised outside Malta, even if such gains are received in Malta, in whole or in part.

Double Tax Treaties

An individual resident in Malta would be entitled to benefit under Malta's double tax treaties. It is assumed that an EU citizen taking up residence in Malta would not intend to settle in Malta permanently but would retain an intention to leave Malta eventually. As a result, the EU citizen would not also acquire a Maltese domicile for Malta tax purposes – please note that persons ordinarily resident and domiciled in Malta are subject to tax in Malta on a worldwide basis; that is, on all chargeable income and gains arising anywhere in the world and whether received in Malta or otherwise. As a result, a resident would, from a Malta tax perspective, be entitled to benefit from exemptions and reduced withholding rates prescribed under Malta's double tax treaties.

In addition, a resident would be entitled to claim relief (under a treaty or under domestic tax legislation) for tax suffered outside Malta on any chargeable income received in Malta. Such double taxation relief would generally be available in the form of an ordinary credit against the resident's Malta income tax liability.

Residence Requirements

The Malta tax residency status of an individual would not be determined by reference to any specific or prescribed rules or formulae. Rather, such tax residency status remains essentially a question of fact – determinable in light of all circumstances relevant in the context of an individual’s presence in Malta. At any rate, in practice it is understood that an individual would be deemed to be resident in Malta should:

- Have financial independence, individuals need to show that they are economic self-sufficient and that they can provide for themselves and for their accompanying dependants without the need of any financial support from the Maltese government;
- Evidence of a physical address by purchasing or renting a property in Malta. This needs to be available at the time of filing the application. There is no minimum value property requirement;
- An applicant must have physically lived in Malta for at least 3 months. He/she is obliged to apply for an e-Residence card with the Department for Citizenship and Expatriate Affairs.

For more information on how Zeta can assist you please contact our Business Development department on bd@zeta-financial.com.

Get in touch

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