

Malta Retirement Programme

The Malta Retirement Programme is a programme designed to attract nationals of the EU, EEA and Switzerland who are not in an employment relationship and are in receipt of a pension as their regular source of income. Individuals benefitting from this programme may hold a non-executive post on the board of a company resident in Malta, but is prohibited from being employed by the company in any capacity.



Such individuals may also partake in activities related to any institution, trust or foundation of a public character and any other similar organisation or body of persons, which are also of a public character, that is engaged in philanthropic, educational or research and development work in Malta.

1. Conditions to be satisfied

Applicants meeting all of the following criteria are eligible to submit an application in terms of the Malta Retirement Programme:

1) Owns or rents an immovable property which the individual occupies as his principal place of residence worldwide.

The values of the property needs to be as follows:

a. Owned:

- i. Malta: €275,000
- ii. Gozo: €250,000

The property needs to have been bought after 1st January 2011. However if a property was purchased before 1st January 2011 for an amount which is less than the above-mentioned amounts, such property may also satisfy this requirement if the individual declares in his application that the property was bought for less than the amounts indicated above and the said declaration is supported by the following documentation, to be submitted together with the application:

- A separate and independent architect valuation of the property; and
- Architect's plan of the property.

The Commissioner for Revenue may authorise an officer, architect or surveyor in writing to full and free access to the immovable property to the extent that the declared value of the property is ascertained. A certified copy of the final deed of purchase needs to be submitted together with the application.

b. Rented:

- i. Malta: €9,600 annually;
- ii. Gozo: €8,750 annually.

The lease needs to be taken out for not less than a twelve month period and is evidenced by a certified lease agreement submitted together with the application. The lease agreement needs to indicate details of whether the property is being rented as furnished or otherwise. Any separate agreement relating to furnishings etc needs to be attached and the relative amounts indicated in the application form.



The final deed of purchase/lease agreement must provide full details of the vendor/lessor. This includes, in the case of an individual: the full name & surname, passport / ID card number and residential address. In the case of vendors / lessors that are not individuals, the details that need to be indicated include the name, company and income tax registration numbers, as well as the registered address.

2) Does not benefit of any other scheme

Is not a beneficiary in terms of any of the below tax Regulations:

- a. Residents Scheme Regulations;
- b. High Net Worth Individuals Rules; or
- c. Highly Qualified Persons Rules.

However an individual may renounce to the benefits provided under any of the above-mentioned Rules prior to submitting an application in terms of Malta Retirement Programme.

3) Is either an EU national (excluding a Maltese national); or a national of Iceland, Norway, Liechtenstein or Switzerland.

4) Is in receipt of a pension

An individual is deemed to be receiving a pension if he is in receipt of:

- a. periodic payments paid in respect of past employment; or
- b. remunerations paid as lifetime or temporary annuities; or
- c. regular income from an occupational retirement scheme, personal overseas retirement plan or insurance policies.

An individual will not be deemed to be receiving a pension if he is in receipt of a lump sum payment or any capital sum received by way of commutation of pension, retiring or death gratuity. The entire pension declared in the application to be received by the individual must be received in Malta. Where a pension is not wholly received in Malta the beneficiary cannot apply. Furthermore this pension needs to constitute at least 75% of the individual's Malta chargeable income for any particular tax year.

5) Is in possession of a valid travel document, certified proof of which is submitted together with the application.

6) Is in possession of sickness insurance which covers himself and his dependents in respect of all risks across the whole of the EU normally covered for Maltese nationals. In the eventuality that the applicant is not in a position to transpose EU health rights or rights under a Reciprocal Agreement that Malta is a signatory to, the health insurance cover must be procured by a company licensed in Malta or by an international reputable health insurance company and a certified copy of the insurance policy needs to be submitted together with the application documentation.



7) Is not domiciled in Malta and does not intend to establish his domicile in Malta within five years from the date of application.

- 8) Is a **fit and proper person**. The individual is required to submit an updated police conduct certificate (accompanied with the Apostille Certificate) accompanied by a sworn declaration before a Commissioner for Oaths in Malta confirming whether the individual was found guilty of any civil or criminal convictions as well as providing a confirmation of any civil or criminal on going proceedings. If the individual was found guilty, details of such convictions need to be provided in a separate declaration signed in original by the respective individual. The Commissioner reserves the right to make further questions for the purposes of this requirement.
- 9) Has applied for a **Registration Certificate in Malta** in terms of the Free Movement of European Union Nationals and their Family Members Order and a copy of the acknowledgement or Residence Card/Document is to be submitted with the application.
- 10) A **non-refundable administrative fee of €2,500** needs to be paid upon application

2. Benefits of the Scheme



15%

An individual who has been granted special tax status in accordance with the MRP, is subject to a rate of fifteen cents (0.15) on every euro on any income that is received in Malta from foreign sources by the beneficiary or his dependents (see below).

This rate of tax will apply from the date of confirmation of the special tax status which is referred to as the “appointed day” up to “day of cessation of status”. Progressive tax rates are to apply in the days prior to the appointed day or subsequent to the day of cessation of status.



Dependents may be any of the below:

- the beneficiary's spouse;
- person with whom the beneficiary is in a stable and durable relationship;
- the beneficiary's unmarried minor children,
- adopted minor children of the beneficiary
- children who are in the custody of the beneficiary or the spouse and such children are financially dependent on the beneficiary;
- children of the beneficiary or of his spouse who are not minors but who, because of circumstances of illness or disability of a serious gravity are unable to maintain themselves.



Other chargeable income of the beneficiary and his spouse that is not charged to tax as separate income at 15% tax rate mentioned above will be charged to tax at the rate of thirty-five cents (0.35) on every euro. This may include bank interest received from a local source or dividends received from a company registered in Malta. As indicated above, this type of income may not exceed 25% of the beneficiary's chargeable income.

Beneficiaries of special tax status in terms of the MRP will need to pay a minimum tax of seven thousand five hundred euro (€7,500) annually and a further five hundred euro (€500) in respect of every dependent and every special carer.

For more information kindly contact:

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