

# MALTA PERSONAL TAXATION

Personal Taxation

## TAX SYSTEM

EU Approved

## DOUBLE TAX TREATIES

Broad network of over 70 signed  
DTTs

## REMITTANCE AND SOURCE BASIS OF TAXATION

For resident, non-domiciled  
individuals

## EU

Member of the EU & Eurozone

## SCHENGEN STATUS

Full Member

## SPECIFIC TAX RATES

For beneficiaries of TRP  
or GRP programmes



CHETCUTI CAUCHI  
ADVOCATES

[ccmalta.com/tax](http://ccmalta.com/tax)



## WHY MALTA?

Malta has been regarded an attractive relocation destination for many years. The Maltese Islands are renowned for their Mediterranean climate, beautiful landscape, rich culture and historical landmarks. Malta has been a member of the EU since 2004 and a member of the Schengen Area since 2007. Therefore, relocating to Malta also provides easy, visa-free access to numerous European destinations.

Malta is also a great place for doing business. During the last couple of decades it has enjoyed political stability and a long period of uninterrupted economic growth. Moreover, Malta offers a transparent administrative and legal framework, low incorporation and maintenance costs for companies and a highly efficient EU-approved tax regime.

## TAXATION OF INDIVIDUALS – GENERAL RULES

The general rules regarding taxation of individuals in Malta are laid down in the Income Tax Act (the “ITA”). Malta also has a broad network of over 70 double taxation treaties.

In terms of the provisions of the ITA, the connecting factors that give rise to taxation of an individual in Malta are: tax residence and domicile. Individuals who are neither resident nor domiciled in Malta are taxed only on a source basis.

## TAX RESIDENCE

Under the ITA, an individual is deemed to be tax resident in Malta if he or she resides in Malta, except for such temporary absences as to the Commissioner of Inland Revenue may seem reasonable and may not be inconsistent with the claim of such individual to be resident in Malta.

An individual is considered to be resident in Malta if he has spent 183 days or more in Malta during a calendar year, or by showing intention to reside in Malta. Consequently, there may be circumstances where notwithstanding the fact that an individual has not physically spent 183 days in Malta, his or her intention to be resident in Malta during that calendar year will lead to him being considered as resident for tax purposes.

## DOMICILE

Although the ITA does not define the term ‘domicile’, Malta follows the UK Common Law notion of domicile, whereby a person acquires the domicile of the father at birth.

On attaining the age of majority (e.g. 18 years in Malta), he may opt to change his domicile by showing an intention to make his permanent home in another jurisdiction while severing ties completely with the jurisdiction of his or her previous domicile.

## BENEFITS



EU Jurisdiction



Relief from double  
taxation



Remittance basis of  
taxation for resident  
non-dom individuals



Foreign source  
capital gains  
remitted, free of tax



## MALTA TAXATION OF INDIVIDUALS

Individuals who are **both resident and domiciled** in Malta are taxed in Malta on their worldwide income and chargeable gains. This means that income and gains are taxable in Malta regardless of whether they arise and whether they are brought to Malta or not.

On the other hand, individuals who are **resident but not domiciled** in Malta are taxable in Malta on a remittance and source basis of taxation. This means that they are taxable in Malta only on:

- local source income
- local source chargeable capital gains and
- foreign source income which is remitted to Malta.

An individual who is resident but not domiciled in Malta will therefore not be subject to tax in Malta on any foreign source capital gains (even if these are remitted to Malta).

Individuals who are **neither tax resident nor domiciled** in Malta are only subject to tax in Malta on income or capital gains arising in Malta.

## MALTA INDIVIDUAL TAX RATES

The following are the progressive tax rates applicable to single and married resident persons, respectively, for basis year 2022:

### Single

From €0 to 9,100 taxed at 0%

From €9,101 to 14,500 taxed at 15%

From €14,501 to 60,000 taxed at 25%

From €60,001 and over taxed at 35%

### Married

From €0 to 12,700 taxed at 0%

From €12,701 to 21,200 taxed at 15%

From €21,201 to 60,000 taxed at 25%

From €60,001 and over taxed at 35%

Taxpayers **not resident** in Malta are subject to tax at the following progressive tax rates for basis year 2022:

From €0 to 700 taxed at 0%

From €701 to 3,100 taxed at 20%

From €3,101 to 7,800 taxed at 30%

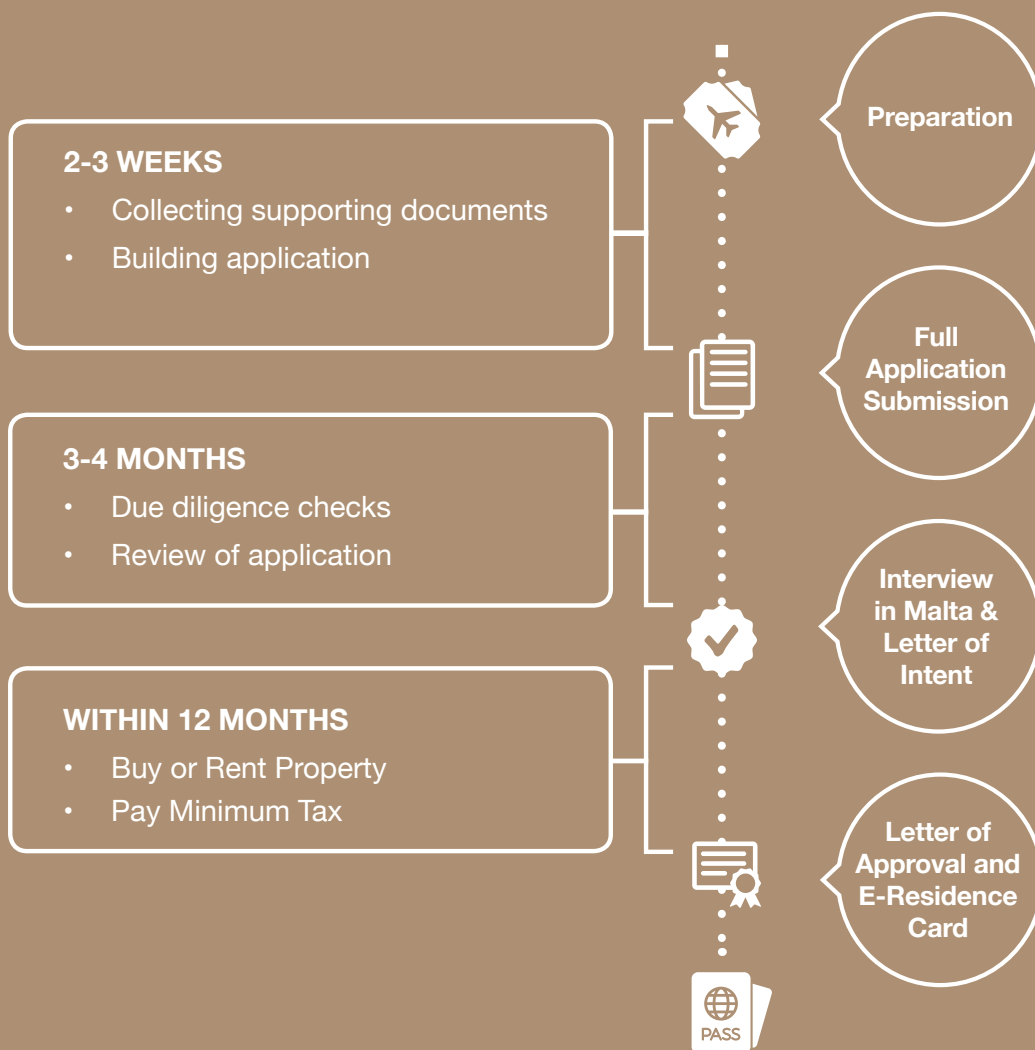
From €7,801 and over taxed at 35%

## TAX PROGRAMMES

Malta offers residence programmes which grant special tax status to eligible beneficiaries: **The Malta Global Residence Programme** and **The Residence Programme** are addressed to economically self-sufficient non-EU and EU nationals respectively.

Beneficiaries of the **Global Residence Programme** and **The Residence Programme** are taxed on a source and remittance basis in a similar manner to other resident but not domiciled individuals, but instead of being taxed at the progressive tax rates indicated above, enjoy reduced tax rate of 15% with regards to foreign source income remitted to Malta (with minimum tax of €15,000 per annum), whilst local source income, is taxed at a flat rate of 35%.

# MALTA RESIDENCE PROGRAMMES TIMELINE



## WHY WORK WITH US?



Problem Solving,  
Integrity, Honesty



Multi-Disciplinary:  
Legal, Tax & Corporate



We're lawyers:  
Maximum secrecy  
guaranteed



Commercially Aware,  
Results Oriented



Lawyers,  
Tax advisors,  
Fiduciary staff: 100



Our Ethos:  
Big firm expertise  
Small firm personal



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