

Malta asserts jurisdiction to tax on the basis of territoriality, ordinary residence, domicile and remittance.

- 1.** Individuals who are ordinarily **resident and domiciled** in Malta are taxable on their **worldwide income**.
- 2.** Individuals who are either domiciled but not ordinarily resident in Malta or ordinarily resident but not domiciled in Malta are taxable on:
  - Malta-sourced income and capital gains; and
  - Any foreign source income which is received in Malta.

Capital gains arising outside Malta are not taxable in Malta (even if received in Malta).

Persons who are resident but not domiciled in Malta are subject to a **minimum tax of €5,000** annually in Malta. Such minimum tax applies if the person has income arising outside Malta amounting to not less than €35,000 or its equivalent in another currency – in the case of a married couple, the aggregated income of both spouses will be taken into account.

If the individual is already paying tax in Malta, whether by withholding or otherwise but excluding tax paid on capital gains, and such tax is less than €5,000, the Maltese tax paid would need to be topped up to reach the minimum requirement of €5,000.

- 3.** Individuals who are neither ordinarily resident nor domiciled in Malta but have **income arising in Malta** will be subject to pay tax in Malta on that income.



For more information on how ARQ Group can help you with all your tax and related issues, please contact us on [taxteam@arqgroup.com](mailto:taxteam@arqgroup.com). ARQ offers a number of complimentary services including migration investment, risk & compliance, legal and accounting services.

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Disclaimer: The notes outlined in this fact sheet are for information purposes only and do not constitute any legal or regulatory advice.

# TAX RATES FOR BASIS YEAR 2019

## RESIDENT TAX RATES

### Chargeable Income:

From	To	Rate
€	€	
<b>SINGLE RATES</b>		
0	9,100	0%
9,101	14,500	15%
14,500	60,000	25%
60,001	and over	35%

### MARRIED RATES

0	12,700	0%
12,701	21,200	15%
21,201	60,000	25%
60,001	and over	35%

### PARENT RATES

0	12,700	0%
10,501	15,800	15%
15,801	60,000	25%
60,001	and over	35%

## NON-RESIDENT TAX RATES

### Chargeable Income:

From	To	Rate
€	€	
0	700	0%
701	3,100	20%
3,101	7,800	30%
7,801	an over	35%

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## SPECIAL RATES OF TAX



### Rental Income

Taxpayers may opt to have income derived from the rental of immovable property taxed at a **flat rate of 15%**.



### Part-time Work

Resident individuals deriving income from part-time work can benefit from a favourable tax **rate of 15%**, subject to satisfying certain conditions.



### Investment Income

Income that qualifies as investment income in terms of the Maltese Income Tax Act may be subject to a **15% final withholding tax**, at the option of the taxpayer.

## SPECIAL TAX STATUS

### Highly Qualified Persons

Through the Highly Qualified Persons Rules (HQP), expatriates working in Malta within the Aviation, Gaming, Financial Services and Medical sectors are entitled to benefit from a reduced tax rate of 15% on the employment income generated in Malta.

For the HQP Rules to apply, the applicant must hold a recognised professional qualification in the relevant qualifying field and must receive income of a minimum of €84,991 (for the basis year 2019) from a qualifying contract of employment.

The special tax rate applies for a consecutive period of five years for an EU/EEA national and for a period of four years for a Non-EU national.

### Global Residence Programme

The Residence Programme (TRP) applicable to EU individuals and the Global Residence Programme (GRP) applicable to non-EU individuals are two tax residence programmes which result in a **15% flat rate of tax** on any foreign income received in Malta, subject to a minimum annual tax of €15,000.

Under TRP and GRP, the applicant must own or lease qualifying property in Malta for the value of €275,000 (reduced to €220,000 if situated in the south of Malta or Gozo), or not less than €9,600 per annum (reduced to €8,750 if the property is situated in the south of Malta or Gozo).

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