

Permanent Residency:

The status of permanent residency is available only to those foreigners seeking permanent residence in Malta.

The following terms and conditions are associated in various ways with permanent residency:

- The individual that qualifies for permanent residency will not be limited by the time limits of temporary residency, meaning there can be freedom of movement on the islands without limitations. A permit for permanent residency will cost you €16.47 (Lm50) and it is payable to the director of the Department of Citizenship and Expatriate Affairs subsequent to issuance. The applicant will fill out an Annual Declaration to confirm that all conditions of the permit have been upheld; initially, this should be accomplished at the end of each year of residence, then later at the close of the calendar year.
- Additional costs may include a reasonable flat rate of €23,294 (Lm 10,000) or capital assets of €349,406 (Lm 150,000). Regardless, you will not be required to have the whole amounts brought into Malta from abroad. By buying property, a portion of capital requirement is accounted for.
- In Malta, the portion of taxable annual income that must be remitted to the government is Lm 6,000 for an individual with an additional Lm 1,000 to be paid for those defined as dependants (i.e. those under the age of 21 years).
- Double taxation agreements exist with following countries: Albania, Austria, Belgium, Croatia, Czech Republic, Egypt, Finland, Germany, India, Korea, Latvia, Libya, Luxembourg, Netherlands, Pakistan, Portugal, Slovakia, South Africa, Switzerland, Tunisia, Barbados, Bulgaria, China, Cyprus, Denmark, Estonia, France, Hungary, Italy, Kuwait, Lebanon, Lithuania, Malaysia, Norway, Poland, Romania, Slovenia, Sweden, Syria, United Kingdom as well as the United States, Canada and Australia. The agreement enables residents in Malta to claim back tax from the country from where the income originates and double taxation relief from Malta
- Provided that all required taxes have been duly remitted, it is possible that the unspent income that exceeds the minimum requirement, encashment of investments, or the money obtained through sales of the resident's property may be eligible for repatriation.
- If the property was used as a (official/regular) residence for at least 3 years prior to sale, the resident will be exempt from paying Capital gains tax.

Importation of Pets:

In order to have animals designated as pets allowed into Malta, the government requires that owners apply to the Government Veterinary Regulation Division to receive an Import License from the Director Agriculture.

The following pieces of information are necessary for a pet's entry into Malta:

- An official pet travel scheme certificate. This shows that the pet animal has been micro chipped, blood tested and vaccinated
- An official Declaration that the pet animal has not been outside the qualifying countries
- An official certificate signed and stamped by a Veterinarian. This shows that the pet has been treated against ticks and tapeworms

Note: The Pet travel scheme is a means to avoid quarantine for those animals such as cats, dogs and ferrets that have arrived from qualifying countries, provided the prerequisites are satisfactorily met. Animals not covered by this pet travel scheme will face a minimum of six months in quarantine before being allowed entry into Malta. Release is also dependent upon the performance of the previously mentioned blood test to confirm positive siero-neutralization titre test results. Additionally, any pets entering Malta from qualifying countries that have not been properly vaccinated for Rabies will be quarantined for 21 days, or they have not yet satisfied the six-month requirement following the blood test.

Importation:

For non-Maltese nationals the buying of property in Malta obviously involves the importation of specific items and personal affects into the country. Accordingly, there are procedures for this process. The following information is meant to elucidate the process of importation.

All personal and household effects may be imported into the country absolutely free of charge within six months of the date of arrival in Malta of the person importing them, or within such a period allowed by the Comptroller of Customs, at his discretion. The authorities concerned will require proof that permanent residency has been obtained.

Vehicle Importation:

When any type of vehicle is being imported, certain conditions and charges apply:

1. the vehicle is required to be at least 6 months old
2. the vehicle should have been registered in the applicant's name outside the country
3. the vehicle should be imported into Malta within 6 months from the date a permanent residence permit is issued

Charges include the following:

1. registration tax of 11% of the assessed value up to 1500cc engine capacity
2. registration tax of 16.5% of the assessed value over 1500cc engine capacity

While no duty or VAT is required to be paid upon importation, the total amount of the charges must be remitted in their entirety should the vehicle be re-sold locally. There are a variety of benefits and requirements associated with having permanent residency in Malta. The following information is meant to explain these conditions.

(Note: Applications must be submitted to the Department for Citizenship and Expatriate Affairs.)

Capital or Income Requirements

Applicants must produce evidence of an annual income of €23,294 (Lm10,000) or over, or capital assets of €349,406 (Lm150,000) or over. The funds need not be brought into the country. The value of any property purchased locally is considered as forming part of this capital requirement.

Acquisition of Property

As one applying for permanent residency, you must own a local residence. There are cost requirements for particular residences. For example, with an apartment or maisonette, the purchase price may not be less than €9,000. For other types of residential properties, the price may not be less than €165,000.

Rental of Property

If an applicant prefers, s/he may rent a property for not less than €4,193 (Lm1,800) per annum.

Remittance of Annual Income

The applicant must provide a minimum of €13,976 (Lm 6,000) every year, with an additional €2,329 (Lm 1,000) required for each dependant.

Taxation

Any income that is remitted to Malta or produced locally shall be subject to a flat tax rate of 15% (minus any personal allowances), with a minimum tax of €4,193 (Lm 1,800) each year. If there are outside capital funds being invested locally, they will be taxed on any interest or dividends remitted to the owner. There are some permanent residents that may receive tax breaks because they originate from countries that have double taxation agreements with Malta. Many European countries, Canada, Australia and the United States are included. This ensures that you will not have to pay taxes twice. As previously stated, those who purchase overseas vehicles will be held exempt from paying duties on said vehicle. This exemption is also dependent upon the fact that the person applying has owned the vehicle for at least six months.

Employment / Engagement in Business

Generally speaking, permanent residents are not allowed to maintain employment in Malta. Yet, there may be exceptions. Work permits may be obtained by some permanent residents based on the industry or profession they are employed in. Examples include tourism, manufacturing, and catering. Each request is reviewed by appropriate authorities on a case by case basis.

Rental of Property

Those who have properties that have swimming pools may be permitted to rent them out. This permission is granted when a property is licensed as holiday accommodation by the Malta Tourism Authority. The rental income will be subject to the 15% flat tax rate outlined above.

Death and Donation Duties

When heirs inherit a property in name of the deceased, they will be liable to a 7% provisional tax on the value of the particular property. If there are two titleholders to the property, the provisional tax will be cut in half (50% of the 7% rate) should one of them happen to pass away. In either instance, the value of the property will be appraised by an appointed architect or building expert.

Fees and Expenses

Applicants will be required to pay the Department of Citizenship and Expatriate Affairs a fee of €16.47(Lm50). Applications may be processed within two to three months. Any income tax returns must be to the Inland Revenue Department on a yearly basis.

Useful Addresses:

Department of Citizenship and Expatriate Affairs

Director
3, Castille Place
Valletta CMR 02
Tel: 21250570/3

Importation of personal belongings/Customs Duty

Director General (Customs)
Customs Department
Valletta CMR 02
Tel: 25685100

Income Tax

Director General (Inland Revenue)
Inland Revenue Department
Floriana CMR 02
Tel: 21220485/9

Health Services

The Chief Government Medical Officer
Department of Health
Merchants Street
Valletta CMR 02
Tel: 21224071

Permit for the purchase of Property

Director
Capital Transfer Duty Division
46, Merchants Street
Valletta CMR 02
Tel: 21220481/4

Local Councils

Director (Local Councils)
Local Councils Department
Chateau de la Ville

21, Archbishop Street
Valletta CMR 02
Tel: 21226515

Food and Veterinary Regulation Division
Albertain
Marsa
Tel: 21225930