



MALTA RETIREMENT (PROGRAMME) SCHEME

Why Malta?

- Malta & Gozo, islands situated in the beautiful sea of the Mediterranean, are an ideal place for retirees who are looking forward to enjoy a beautiful lifestyle in the divine climate of the Mediterranean.
- The **Malta Retirement Programme (MRP)** launched on 28th September 2012 effective from 1st January 2011 by the Government of Malta forms part of a number of new schemes. The **'MRP'** is a programme designed to attract nationals of the EU, EEA (Iceland, Norway and Liechtenstein) & Switzerland. By taking up the **'MRP'**, mature adults will be able to benefit from an attractive tax rate of 15% on pension income arising outside Malta which is received in Malta by the beneficiary or dependent with the possibility to claim relief of double taxation.

To qualify for the scheme the following criteria need to be satisfied:

- Be an EU, EEA or Swiss national and does not include Maltese nationals nor third-country nationals;
- Not benefit from the 'Residents Scheme Regulations', 'High Net Worth Individuals EU/Non-EU, EEA/Swiss nationals Rules' and the 'Highly Qualified Persons Rules';
- Already obtained a Registration Certificate from Citizenship and Expatriate Affairs (our office can handle the application for the said Certificate);
- Be a pensioner and in receipt of a pension which is received in Malta and constitutes at least 75% of his total taxable income in Malta. The term 'pension' also includes remunerations paid as lifetime or temporary annuities, as well as regular income from an occupational retirement scheme, personal overseas retirement plan and insurance policies. These sums are to be received in periodic payments;
- Must not be employed in Malta but may hold a non-executive post on the board of a company resident in Malta or assist in activities such as educational or research and development work in Malta, or similar organizations;
- Must hold a 'qualifying property' either owned property or a rented property. A purchased property in Malta must not be less than Eur275, 000 and if situated in Gozo Eur220, 000. In respect of property rented in Malta or in Gozo, the minimum rental per annum is Eur9, 600 and Eur8, 750 respectively.
- The persons who reside in the qualifying property are not persons other than the beneficiary and his dependents;
- Must be in possession of a health Insurance policy which covers all risks in the entire European Union for himself and his dependents as it is covered for Maltese nationals in general;
- Must be in possession of a valid travel document;
- Must be a fit and proper person;



- xi. Must not be domiciled in Malta and that does not intend to do so within five years from the date of application;
- xii. Must reside in Malta for a minimum of 90 days and not reside in any other jurisdiction for more than 183 days in any calendar year;
- xiii. Special reporting obligations (the filing of an annual return together with the annual tax return and notifications must be complied with);
- xiv. An International due diligence exercise is carried out based upon documentation as provided by applicant in accordance with the application form (see attached) ;
- xv. Pay to the Malta Inland Revenue, a non-refundable onetime administrative fee of Eur2,500 on application
- xvi. Must be duly represented by an authorized registered mandatory;

Once the application is approved, the applicant qualifies for the special tax status under this scheme.

As from the appointed day, the following rules apply to the beneficiary:

- a) Pay tax at the rate of 15% on all income arising outside Malta which is received in Malta by him or dependent with the possibility of claiming double tax relief.
- b) The minimum amount of tax payable per year of assessment is of Eur7,500 in respect of the beneficiary and Eur500 per year of assessment for every dependent and special carer;
- c) Lump sum payments and any capital sums received by way of commutation of pension, retiring or death gratuity or received as consolidated compensation for death or injures are exempt from tax even though they are remitted to Malta;
- d) Income of the beneficiary or dependent remitted to Malta (excluding item (c) above) that is not chargeable to tax under these rules shall be charged as separate income at the rate of 35%;
- e) Any tax paid in Malta at the rate of 15% shall not be refundable;
- f) In the case that a non-resident of Malta purchased a property in Malta or Gozo prior to 1st January 2011, such person may also be entitled to apply under these rules so long as the application is accompanied by an architect's plans and valuation of the said property;

The Application Process:

An application for the special tax status must be made through the services of a person that qualifies as an 'Authorized Mandatory' and is registered as such with the Inland Revenue Department. Mr. Edward Zammit is registered as an Authorized Mandatory and can handle the application process.

Kindly contact our office on info@ejz.com.mt for further details.