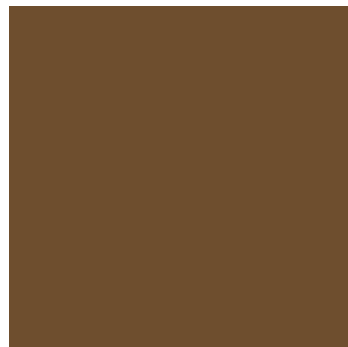


RESIDENCY IN MALTA

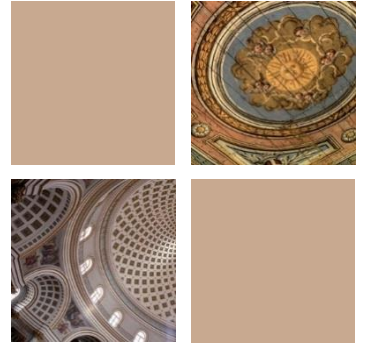
A GUIDE TO THE VARIOUS RESIDENCY OPTIONS IN MALTA



mandaris 

Due to its geographical position, European identity and climate, Malta has been considered by many as an attractive location to establish residence. Importantly, Malta offers various permanent residence schemes which offer advantageous tax rates to foreigners who establish their residence in Malta. Permanent residence also gives the individual the right to enjoy freedom of movement, in that, a person may travel to and from Malta freely without the need of a visa.

THE GENERAL RULES



EU and non-EU citizens have different rights when residing in Malta. If a person intends to reside in Malta for more than 3 months, he or she is obliged to apply for a residence permit from the Office of the Department of Citizenship and Expatriate Affairs. For residence to be granted the individual must either work or be economically self-sufficient. There are two types of residency in Malta: Ordinary Residence (open to EU/EEA and Swiss citizens only) or Permanent Residence (open to the rest of the world).

An individual holding an ordinary residence permit is taxed on income/gains arising or remitted to Malta (similar to the British resident non domiciled status) at the normal progressive income tax rates that every Maltese resident is subject to. The current maximum rate of income tax is 35%. Ordinary Residence in Malta requires individuals to physically live on the island for a period of six months or more. In this context it is important to note that based on EU law the authorities in charge usually have

access to flight data information and may therefore easily verify whether someone has been absent from Malta. There is no minimum value property requirement for non-residents seeking to obtain ordinary residence in Malta, unless there is the need for an Acquisition of Immovable Property (AIP) permit which applies in specific circumstances. Ordinary residency permits need to be renewed every five years.

Permanent Residence is open to everyone, no matter what the country of origin is. People from outside the EU only have the option to apply for Permanent Residence. Permanent residents pay 15% tax on the income/gains arising or remitted to Malta. Permanent residency permits need to be renewed annually.

Besides, Malta offers a variety of incentives through special tax programmes to foreigners interested in taking up an indefinite residence in Malta.

SPECIAL TAX PROGRAMMES: GENERAL QUALIFYING CRITERIA

	Residence Programme 2014	Global Residence Programme 2013	The Malta Retirement Programme (MRP)	Residence Scheme based on Qualifying Employment in Innovation and Creativity	Residence Scheme based on Employment - Highly Qualified Person Rules	Malta Individual Investor Programme (MIIP)	Malta Residence and Visa Programme (MRVP)
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Qualifying criteria for the applicant

The applicant may not already be a citizen of Malta	✓	✓	✓	✓	✓	✓	✓ must be a third country national
The applicant is not domiciled in Malta	✓	✓	✓	✓	✓	✓	✓
The applicant must have a clean criminal record	✓	✓	✓			✓	✓
The applicant must have a valid travel document	✓	✓	✓	✓	✓	✓	✓ also for dependants
The applicant must have EU-wide health insurance	✓	✓	✓	✓	✓	✓ also for dependants	✓ also for dependants
The applicant is in receipt of stable and regular resources that are sufficient to maintain himself and his dependants	✓	✓	✓	✓	✓	✓	✓
The applicant must be 'fit and proper'	✓	✓	✓			✓	✓
The applicant must undergo stringent background checks regarding bankruptcy and criminal records	✓	✓	✓			✓	✓

Qualifying Property Requirement

Minimum purchase value of property in Gozo or southern region of Malta	EUR 220'000	EUR 220'000	EUR 220'000	None	None	EUR 350'000, owning for 5 years	EUR 270'000
Minimum purchase value of property anywhere else in Malta	EUR 275'000	EUR 275'000	EUR 275'000			EUR 350'000, owning for 5 years	EUR 320'000
Minimum rent p.a. in Gozo or the southern region of Malta	EUR 8'750	EUR 8'750	EUR 8'750			EUR 16'000, renting for 5 years	EUR 10'000
Minimum rent p.a. if rented anywhere else in Malta	EUR 9'600	EUR 9'600	EUR 9'600			EUR 16'000, renting for 5 years	EUR 12'000



THE RESIDENCE PROGRAMME 2014



This is relevant to EU/EEA/Swiss nationals.

Additional Qualifying Criteria

- The applicant must not already be a beneficiary in terms of any of other tax programmes in Malta, that is, Residents Scheme Regulations, High Net Worth Individuals Rules, Malta Retirement Programme Rules, Global Residence Programme Rules, Qualifying Employment in Innovation and Creativity Rules and the Highly Qualified Persons Rules
- The applicant must declare that he/she is fluent in English or Maltese, which must be verified by the Authorised Registered Mandatary
- The applicant must not stay in any other one jurisdiction for a period of 183 days or more in calendar year

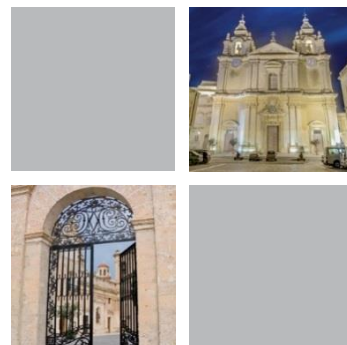
Tax Payable under the Residence Programme

The applicant and his/her dependants are liable to a 15% flat rate of tax in respect of income (including capital gains) arising or sourced outside Malta and remitted to Malta, with the possibility of claiming double tax relief. Income not remitted to Malta as well as capital remitted to Malta remains untaxed.

Registration Fee

A one-time registration fee amounting to EUR 6,000 is payable to the Government, unless the property purchased/rented is situated in the south of Malta, in which case, a one-time registration fee of EUR 5,500 is payable. The application must be done through an Authorised Registered Mandatary in Malta. Mandaris as an Authorised Mandatary would be able to assist any interested parties with their applications or advise them on any questions they may have.

THE GLOBAL RESIDENCE PROGRAMME 2013



This scheme was introduced in 2013 and allows non-EU citizens who buy or rent a property in Malta and remit their income to Malta to qualify for a residence permit.

Additional Qualifying Criteria

- The applicant may not already be a citizen of Malta and must not already be a beneficiary in terms of any of other tax programmes, that is, Residents Scheme Regulations, High Net Worth Individuals Rules, Malta Retirement Programme Rules, Global Residence Programme Rules, Qualifying Employment in Innovation and Creativity Rules and the Highly Qualified Persons Rules
- The applicant must already be a resident of Malta but not on a long term period
- The applicant must declare that he/she is fluent in English or Maltese
- The applicant must not stay in any other jurisdiction for a period exceeding 183 days in a calendar year

There is no minimum presence requirement apart from the need to visit Malta at least once annually.

Tax Payable under the Global Malta Residence Programme

Qualifying individuals will be eligible to pay tax at a flat rate of

15% on all foreign source income which they chose to remit to Malta. Any other income arising in Malta is taxed on the same criteria as for residents with a tiered system with a top rate at 35%. A non-refundable minimum annual tax of EUR 15,000 is payable by the resident in respect of the income (including capital gains) from foreign sources that is remitted to Malta. This minimum tax is first due for payment by not later than the 30 April of the year in which the income is received in Malta and is also payable in full in both the year when the special tax status is confirmed and in the year when it is cancelled. If the special tax status is not granted before the 30 April, the minimum tax referred to shall be payable at the time that this special tax status is granted.

Registration Fee

A one-time registration fee amounting to EUR 6,000 is payable to the Government of Malta, except where the qualifying owned property is situated in the south of Malta. Then the fee is EUR 5,500.

The applicant must appoint an Authorised Registered Mandatary in Malta to submit his/her application to qualify under this scheme. Mandaris as an Authorised Mandatary would be able to assist any interested parties with their applications or advise them on any questions they may have.

THE MALTA RETIREMENT PROGRAMME (MRP)

EU/EEA/Swiss nationals who are retired and are in receipt of a pension as their regular source of income are eligible to apply for the MRP scheme.

Additional Qualifying Criteria

- The applicant must already be a resident of Malta
- The applicant must be at least 18 years of age
- The applicant must not stay in any other one jurisdiction for a period exceeding 183 days in a calendar year
- The applicant's chargeable income needs to be a minimum of 75% pension. This pension must be supported by documentary evidence and needs to constitute 75% of the individual's Malta chargeable income for any particular tax year. Therefore, for any particular tax year, an individual's chargeable income needs to be made up of at least 75% pension and 25% of "other" income

Tax Payable

A 15% tax rate is charged on foreign income remitted to Malta with the possibility of claiming double taxation relief. The minimum annual tax under this programme stands at EUR 7,500 with an additional EUR 500 per dependant and special carer, if any.

A special carer must have been providing substantial and

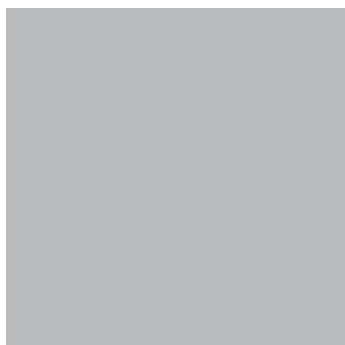
regular, curative or rehabilitative care to the individual for at least 3 years prior to an application under this programme. In certain circumstances, this condition may be satisfied despite the fact that care has not been rendered for 3 whole years, however, subject to the approval of the Commissioner for Revenue. Such service must be regulated by a contract of employment.

In the case where a special carer is a third country national a work permit issued by the Employment and Training Corporation (ETC) in Malta would be required. The application for the special tax status in terms of the MRP needs to be accompanied by a letter addressed to the Manager of the Employers Services. Receipt of such letter must not be later than 15 days from date of letter. This letter must include details of the person applying to benefit under the MRP, as well as details of the carer who is requesting a work permit to be issued.

Registration fee

A one-time registration fee of EUR 2,500 is payable to the Government of Malta.

Applications may only be submitted by an Authorised Registered Mandatary. Mandaris as an Authorised Mandatary would be able to assist any interested parties with their applications or advise them on any questions they may have.



RESIDENCY SCHEME BASED ON EMPLOYMENT



In 2011 Malta introduced tax rules as an incentive to attract expertise and skill in various employment sectors such as financial services, gaming, creative and aviation. This scheme gives these skilled individuals the opportunity to relocate to Malta where they can take advantage of a favourable flat tax rate of 15% on their chargeable income.

Qualifying Employment In Innovation and Creativity (QEIC)

This scheme targets applicants that are specifically employed in a role directly involved in the development of innovative and creative digital products. These qualified individuals are employed in such roles with the following titles, for example, Chief Technical Officer, Chief Creative Officer, Chief Executive Officer, Head of Writing, Lead Game Programmer, Software Engineering Director, Game developer, Director of Online Community, Head of Art Design and Visualization, Art Director, Digital Artist and others.

Additional Qualifying Criteria

- The applicant must already be a resident of Malta
- The applicant derives emoluments received in respect of income payable under a qualifying contract of employment received in respect of work or duties carried out in Malta, or in respect of any period spent outside Malta in connection with such work or duties, or on leave during the carrying out of such duties
- The minimum amount of income the applicant must earn from the qualifying employment which shall be chargeable to tax at the reduced rate is EUR 45,000
- The applicant must be qualified or experienced in the eligible office
- The applicant is protected as an employee under the applicable Maltese laws

Qualifying Property Requirements

There are no minimum property requirements. The only requirement is that the applicant must reside in accommodation which is of a standard considered as normal for a comparable family in Malta and is of a level of general health and safety according to standards in Malta.

Tax Payable

These applicants benefit from a flat tax rate of 15% on income derived from a qualifying contract of employment in terms of this scheme.

Highly Qualified Person Rules

This scheme is relevant to individuals employed with companies licensed and/or recognized by the relevant authority such as the MFSA or with undertakings holding an air operators' certificate issued by the competent authority.

Additional Qualifying Criteria

- The applicant must already be a resident of Malta
- The minimum amount of income the applicant must earn from the qualifying employment which shall be chargeable to tax at the reduced rate must be EUR 82,353 as for year 2016 and revised annually in line with the Retail Price Index
- The applicant must be qualified or experienced in the eligible office and holds a senior position
- The applicant is protected as an employee under the applicable Maltese laws

Tax Payable

Applicants under this scheme may take advantage from a reduced flat-rate of 15% on income earned from the qualifying employment/contract up to EUR 5,000,000 per annum. No tax is charged on income earned from the qualifying employment/contract in excess of EUR 5,000,000.

MALTA

INDIVIDUAL INVESTOR

PROGRAMME (MIIP)

By virtue of Legal Notice 47/2014, the Government of Malta may, upon satisfying certain criteria, grant citizenship by a certificate of naturalization to foreign individuals and families who contribute to the economic development of Malta. The programme intake is capped at 1,800 successful main applicants after which the programme will close. As at the end of August 2016, the number of naturalizations granted had reached 1,100.

Additional Qualifying Criteria

- Applicant must be at least 18 years of age
- Applicant must make a contribution of EUR 650,000 to the National Development Fund (EUR 10,000 of which are a non-refundable deposit) and an additional contribution for dependants as listed in the schedule here below
- Applicant must commit to provide proof that he/she has been registered as a resident of Malta for a period of at least one year before becoming a Maltese Citizen
- Applicant must hold a minimum of EUR 150,000 in Malta of bonds, stocks, debentures, special purpose vehicles or other investment vehicles as may be identified from time to time by Identity Malta by means of a notice in the Government Gazette, which must be maintained for a period of 5 years
- The applicant must not already be a beneficiary in terms of any other tax programmes except for Global Residence Programme participations

The application may include children between the ages of 18 and 26 years, if they are financially dependent on the main applicant and unmarried. Parents over the age of 55 may also be included in the application as dependants, if they are living and supported by the applicant.

Application Requirements

The following documents must be submitted by a Concessionaire/ Approved Agent to Identity Malta, a service offered by Mandaris:

- Application form completed in English
- Medical certificate that the applicant and his dependants are in good health and are not suffering from any contagious disease
- Police certificates issued by the Malta police, as well as by the police authorities in the country of origin and the country of residence where the applicant has resided for a period of more than 6 months during the last 10 years

- Due diligence documents verifying that the main applicants and his/her dependants are fit and proper persons
- A proposal letter by the applicant showing his/her commitment to satisfy the programme criteria
- Applicant must provide an affidavit of support for each of his dependants over the age of 18 years, with the exception of his/her spouse
- The applicant must be in possession of a sickness insurance in respect of all risks across the whole of the EU normally covered for Maltese nationals and his/her dependants

The application must be in the English language and, if necessary, accompanying documents need to be officially translated. All documentation must be original or certified true copies. Certification must include the full name, capacity in which the certifying person is acting, address, contact number and email address. A personal interview of applicant by Identity Malta may be requested.

Time-frame for processing of an Application

Once an application is formally submitted to Identity Malta together with the non-refundable processing fee of EUR 10,000 which forms a part of the contribution amount, as well as the due diligence fee:

Day 90 – Identity Malta will conform if documentation provided is formally correct, subject to a further month of verification

Day 120 – Identity Malta will issue in-principle approval

Day 125 – Identity Malta will issue a formal request for the remaining balance of the contribution

Day 145 – deadline for the receipt of payment of balance of contribution

Day 183 – Identity Malta may issue the certificate of naturalization, subject to oath of allegiance (maximum time to issue is up to 2 years)

Schedule of contribution requirements and fees

Contribution to National Development and Social Fund

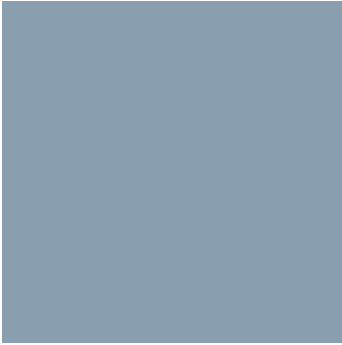
- Main applicant (EUR 10,000 non-refundable deposit)	EUR 650,000
- Spouse	EUR 25,000
- Children under the age of 18 years	EUR 25,000
- Unmarried children aged 18 to 26 years	EUR 50,000
- Dependant parents and grandparents aged over 55 years	EUR 55,000

Due diligence fees for

- Main applicant	EUR 7,500
- Spouse	EUR 5,000
- Children between the age of 13 and 17	EUR 3,000
- Children between 18 and 26	EUR 5,000
- Dependant parents and grandparents aged over 55 years	EUR 5,000

Passport Fees and Bank charges per applicant

- Passport fee	EUR 500
- Bank charges	EUR 200



MALTA RESIDENCE AND VISA PROGRAMME (MRVP)

This programme applies to third country nationals and is not applicable to EU/EEA/Swiss nationals. It confers residency rights to the holder of the certificate and his/her dependants to reside indefinitely in Malta. The holder of this certificate or his/her spouse and/or his/her dependants may remain permanently in Malta without the need for him/her/them to spend some time out of Malta. There is no age limit for unmarried dependants of the applicant or his/her spouse who are still economically dependent on applicant/spouse, for them to be included under this certificate. Individuals benefiting from this programme will be entitled to travel freely within the Schengen area, without the need of a Visa.

Qualifying Criteria

- The applicant must be at least 18 years of age
- The applicant must not already be a beneficiary in terms of any other tax programmes
- The applicant must hold a qualifying investment (as determined from time to time by Malta Residence and Visa Agency) of an initial value of EUR 250,000 which must be held for a minimum of 5 years from the date of certificate
- The applicant must pay a contribution of EUR 30,000 for his application, including his spouse/partner and children from

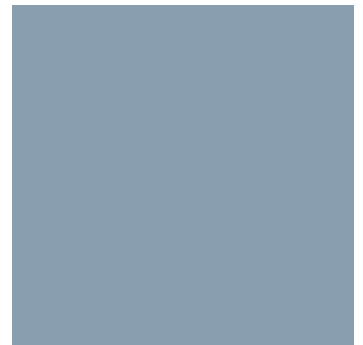
which a non-refundable application fee of EUR 5,500 is payable to the Government of Malta

- The applicant may pay an additional non-refundable EUR 5,000 per parent or grand-parent that he/she wishes to apply for
- The applicant's application is not deemed to be against public interest
- The applicant must provide an affidavit declaring that from date of application he/she has an annual income of not less than EUR 100,000 arising outside Malta or has a capital of not less than EUR 500,000
- The applicant is required to make an affidavit of support for each dependant who is more than 18 years of age
- A EUR 5,000 non-refundable supplementary administration charge per adopted child of the applicant or spouse, if child is adopted after certificate is issued

Registration Fee

Upon application, a non-refundable administrative fee of EUR 5,500 has to be paid.

An application to qualify under the Malta and Residence Visa Programme must be submitted by a registered approved agent.



Mandaris assists clients to attain residency permission in Malta, but also in Switzerland. Our multi-lingual professionals have particular knowledge and experience with regard to legal, tax and administrative questions surrounding the residency requirements in both jurisdictions.

Please do not hesitate to contact us if you have any questions or queries.