

MALTA HIGHLY QUALIFIED PERSONS RULES FOR THE FINANCIAL SECTOR

Malta Tax Incentives

EU
Member of the EU & Eurozone

SCHENGEN STATUS
Full Member Since 2007

GDP GROWTH
6.6% in 2017 (EC)

UNEMPLOYMENT RATE
3.7% in 2017 (EC), lowest in
EU

DOUBLE TAX TREATIES
Extensive double tax treaty network

FINANCIAL SECTOR EXPANSION
25% Annual growth

**FINANCIAL SERVICES
FRAMEWORK**
EU and OECD approved

TAX SYSTEM
EU Approved





MALTA HQP RULES

The Malta Highly Qualified Persons Rules (“HQP Rules”) aim at attracting highly professional expatriates seeking an alternative residence base. Malta has experienced expansion in the financial sectors, creating a need for expatriate highly qualified workers to complement the local work force. Such highly qualified expatriates are offered special tax status with a personal tax rate of 15% on employment income from eligible office under a qualifying contract of employment in Malta up to a maximum of €5,000,000. Amounts derived from the contract of employment in excess of €5,000,000, are not subject to tax.

LEGAL BASIS

The legal basis for the HQP Rules is found in L.N. 106 of 2011, as amended and updated by subsequent legal notices.

TIME LIMITS

The HQP Rules apply the 15% rate to qualifying salaries for a consecutive period of five years for EEA and Swiss nationals and for a consecutive period of four years for third-country nationals. These periods commence from the year when the individual first becomes taxable in Malta. EEA and Swiss nationals may apply for a one-time extension of five years after the first period of five years, whilst third-country nationals may apply for a one-time extension of four years.

ELIGIBILITY

In order to qualify for the beneficial tax status under the HQP Rules, the professional should have entered into a **qualifying contract of employment** in respect of an **eligible office** with **a company licensed or recognized by the Malta Financial Services Authority**.



BENEFITS



Straightforward Mechanism;
15% Tax Rate on Full Salary



Clear Regime; Eligible
Offices prescribed by Law



Efficient procedure for
the Employer



Certainty for a
Fixed Term



ELIGIBLE OFFICE

In terms of the HQP Rules, eligible office with a company licensed or recognized by the MFSA are as follows:

- Actuarial Professionals;
- Chief Executive Officer
- Chief Financial Officer
- Chief Commercial Officer
- Chief Insurance Technical Officer
- Chief Investment Officer
- Chief Operations Officer
- Chief Risk Officer
- Chief Technology Officer
- Chief Underwriting Officer
- Heads of Investor Relations;
- Heads of Marketing;
- Heads of Research and Development;
- Portfolio Managers;
- Senior Analysts;
- Senior Traders/Traders;

EXCLUSIONS

The benefits for HQP shall be withdrawn or shall not be granted where:

- a beneficiary is a third country national and either stays in Malta for more than 4 years (unless such stay is in accordance with an extension) or directly or indirectly acquires real rights over immovable property situated in Malta;
- employment income is paid by an employer who receives any benefits under business incentive laws or is paid by a person who is related to the employer who received any benefits under any business incentive laws
- if the applicant holds more than 25% (directly or indirectly) of the shares of the company licensed or recognized by MFSA;

- any person has been employed for a period exceeding two years preceding the 1st January, 2010, under a contract of employment requiring the performance of his duties in Malta;
- a claim is made for any relief, deduction, reduction, credit or set-off of any kind except for any income tax deducted at source;
- in the case of an arrangement in terms of which a beneficiary receives a payment from a person related to his employer and such payment is not declared for tax purposes in Malta.

EXPERIENCE

The applicant should prove to the satisfaction of the competent authority that he is in possession of professional qualifications, being either education qualifications or by way of derogation, when provided for by national law attested by at least five years of professional experience of a level comparable to education qualifications and which is relevant in the profession or sector specified in the work contract or binding job offer .

SALARY

The annual basic salary must be at least €75,000, adjusted annually on the basis of the Retail Price Index – exclusive of fringe benefits (€88,242 for basis year 2022)

ADDITIONAL REQUIREMENTS FOR APPLICANT

- Valid travel document;
- Sickness insurance for himself and family;
- Receipt of stable and regular resources sufficient to maintain himself and family without recourse to social assistance system in Malta;
- Reside in accommodation regarded as normal for a comparable family in Malta and which meets the general health and safety standards in force in Malta.

ELIGIBILITY REQUIREMENTS / KEY REQUIREMENTS



Employment in Eligible Office



Salary Threshold; €88,242 (2022)



Be able to Maintain Himself and the Family



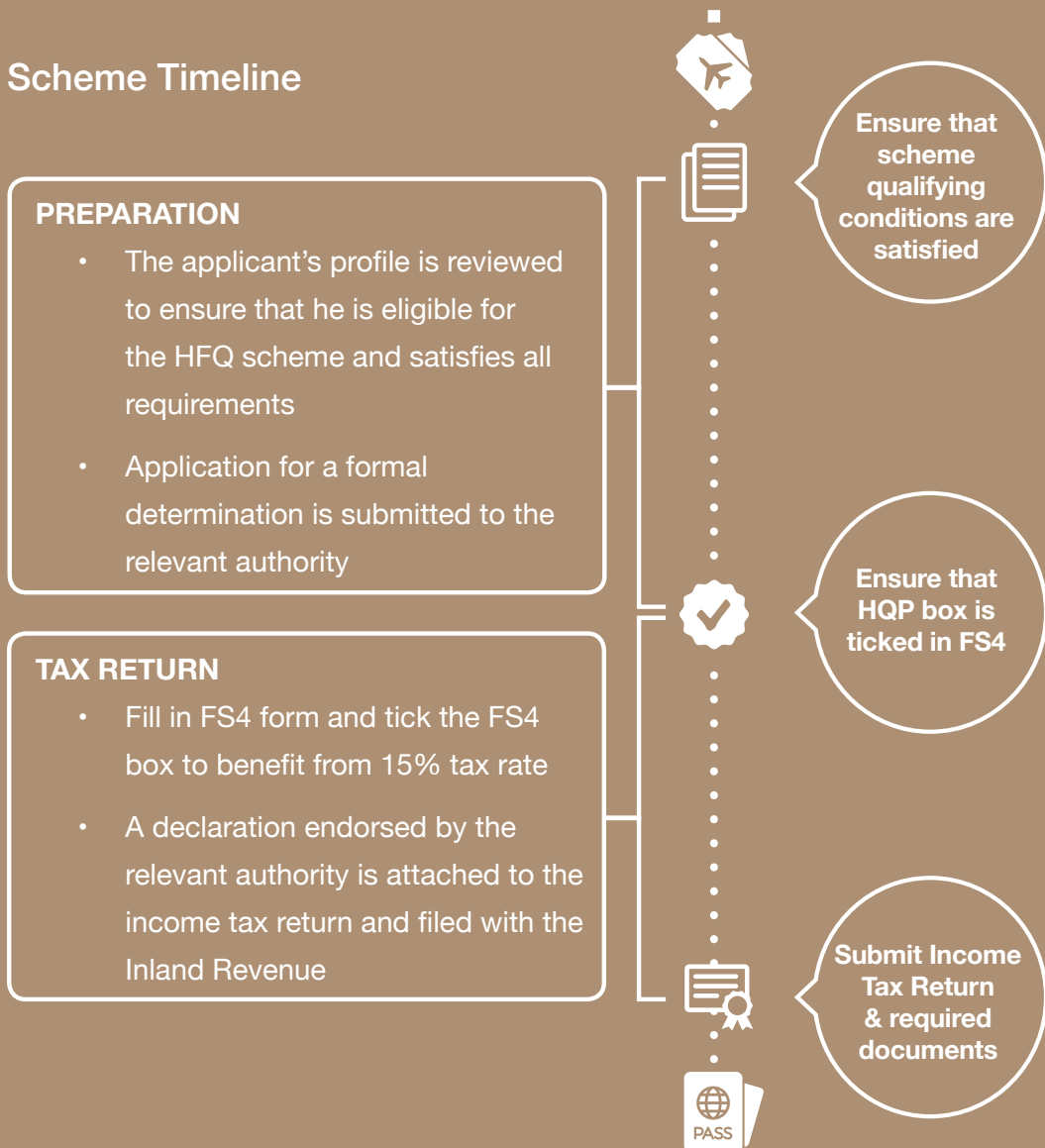
In Possession of a Valid Travel Document & Insurance



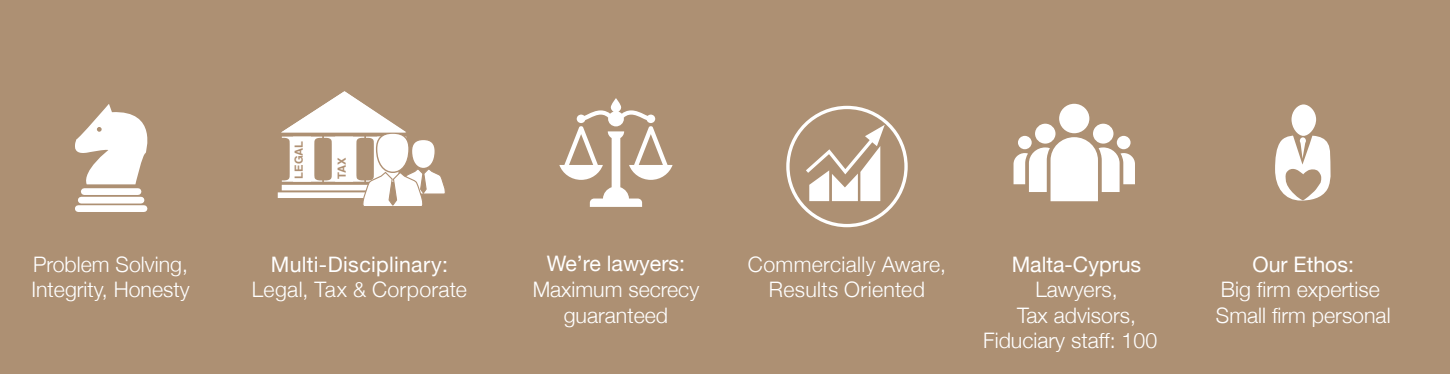
Not Domiciled in Malta

MALTA HIGHLY QUALIFIED PERSONS RULES

Scheme Timeline



WHY WORK WITH US?



Malta
Cyprus
London
Zürich
Hong Kong



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