

The Residence Programme and Global Residence Programme

The Residence Programme (TRP) and Global Residence Programme (GRP) are nearly identical Maltese programmes applicable to qualifying individuals who apply and pass the due diligence checks run by the respective Authorities. TRP is designed for EU/EEA/Swiss nationals, while GRP is for third-country nationals.

The source and remittance basis of taxation applies irrespective of the rules for resident but not domiciled individuals; however, the Programmes have some additional key benefits. The Rules came into force in 2013 and replaced previous long-standing programmes such as the High Net Worth Individuals Rules and the Permanent Residence Scheme, for which new applications are not accepted any longer.



Key considerations

Successful applicants who are also tax residents in Malta are not charged to Maltese income tax on a worldwide basis, but on a source and remittance basis.

Maltese source income and capital gains are charged to tax at 35%, and foreign source income which is received in Malta is taxable at a flat rate of 15%, with the possibility of claiming double tax relief. A minimum annual tax charge of €15,000 applies. Non-Maltese source income that is not received in Malta is not charged to Maltese income tax. There is also no charge on non-Maltese source capital gains.

In addition, Beneficiaries and their dependants obtain:

1. Residency rights in Malta, which provides access to healthcare system, educational opportunities and also the opportunity to take up employment in Malta; and
2. Visa-free access across the Schengen zone, for a period of 90 days within a 180-day period.

Who is eligible to apply?

Individuals are eligible to apply (inter alia) if they:

1. Can make Malta as their principal place of residence worldwide and not stay in any other jurisdiction for more than 183 days in any calendar year;
2. Can adequately communicate in English (or Maltese);
3. Are in receipt of stable and regular resources that are sufficient to maintain themselves and their dependants without recourse to the social assistance system in Malta;
4. Are fit and proper persons (an international due diligence exercise is carried out by the Authorities); and
5. Are in possession of sickness insurance which covers all applicants in respect of all risks across the whole of the EU.

The dependants who may benefit from this special tax status are:

1. The beneficiary's spouse or individual of similar status;
2. Children, parents and siblings.

Application process

An application for special tax status under TRP/GRP may only be submitted through the services of an authorised registered mandatory ("ARM").

1. A non-refundable administrative fee of €6,000* needs to be paid;
*€5,500 in the case of applications involving a qualifying property holding in the south of Malta must be paid upon application;
2. A detailed application together with all the required documentation is submitted to the Commissioner for Revenue;
3. A due diligence process is undertaken and if the outcome is positive, a letter of intent is issued;
4. Within 12 months from the date of issue of the letter of intent, an applicant needs to own or rent a qualifying property - and declare that this property is his principal place of residence; and
5. The minimum tax of €15,000 needs to be paid in the year of application, following which a letter of confirmation for the special tax status is issued.

Summary of monetary requirements

Non-refundable administrative fee		€6,000*
<i>*€5,500 if property situated in the south of Malta</i>		
Minimum tax liability		€15,000 p. a
Property requirements	Acquisition	€220,000 in the south of Malta/ Gozo, or €275,000 in the rest of Malta
or		
Rental		
€8,750 p.a in south of Malta/ Gozo, or €9,600 p. a elsewhere in Malta		

Key information to keep in mind

The beneficiary must not become a permanent resident/long-term resident of Malta;

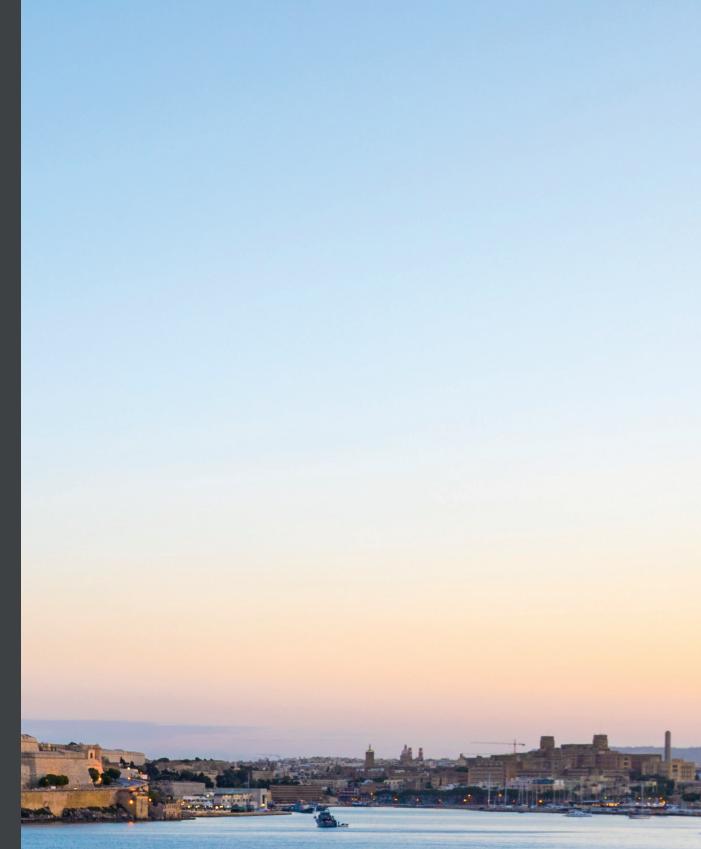
Must not become a beneficiary in terms of any other Maltese tax programme as outlined in the Regulations;

The qualifying property must be retained or replaced by another qualifying property;

Health insurance policy must be retained;

The beneficiary must not stay in any other jurisdiction for more than 183 days in any calendar year; and

The Programmes do not grant automatic tax residence. This remains a question of fact and one that necessitates a physical stay in Malta along with genuine links and a clear intention to reside in Malta.





How can we help?

1. Helping you decide if this programme is right for you - or if alternatives are more appealing;
2. Acting as your authorised registered mandatory;
3. Assisting with the preparation, completion and submission of the required documents and liaising with the relevant Authorities;
4. Providing pathfinding services;
5. Assisting with annual compliance obligations under the TRP/GRP;
6. Application for a tax residence certificate, if needed;
7. Advising on tax, immigration and related considerations; and
8. Providing other ad hoc assistance and advice as may be required.

With the help of our tax specialists, our immigration specialists, our in-house lawyers, and the global PwC Network of firms, PwC is in a position to help with a full range of services, covering both Maltese and non-Maltese (exit) considerations.

Links

Links to official guidelines and application forms for [TRP](#) and [GRP](#), and to the [remittance basis of taxation guidelines](#).

PwC Malta has been authorised to act as an ARM in terms of the applicable rules and is in a position to assist with feasibility, completion and submission of the relevant application forms, as well as providing guidance throughout the whole process.

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