

# EU/EEA/SWISS HIGH NET WORTH INDIVIDUALS AND PENSIONERS MOVING TO MALTA

**Altima Malta Limited—Certified Public Accountants and Tax Advisors**

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People nowadays are living much longer and medical advances have helped older people to maintain a higher level of mobility. So many people consider relocating from their home country to enjoy their retired life somewhere else. Malta has always been an attractive country for retired people as it offers everything that a retired couple would be looking for:

- Excellent European (Malta is an EU Member and part of Schengen Agreement and the Eurozone) lifestyle on a sunny island in the Mediterranean Sea
- Cheaper cost of living than Continental Europe
- Very good healthcare system with a modern five star public hospital apart from other private hospitals and clinics
- Advantageous tax system for expatriates retiring in Malta which allows optimal conservation of wealth, coupled with very sound banking system.

The 2015 Annual Global Retirement Index published recently by the International Living Magazine ([Source: www.internationalliving.com](http://www.internationalliving.com)) ranks Malta in seventh place worldwide and the best European country (tied with Spain) to retire in, and refers to Malta as the Mediterranean's Hidden Treasure. What makes Malta particularly attractive for older people is its small size, making it very easy to go around and visit the various historic and cultural places, as well as restaurants and other leisure places. Malta is an English speaking country, English being an official language alongside with the Maltese mother tongue.



| Country      | Buying & Renting | Benefits & Discounts | Cost of Living | Fitting In | Ent. & Amen. | Health Care | Infra.    | Climate   | Total       |
|--------------|------------------|----------------------|----------------|------------|--------------|-------------|-----------|-----------|-------------|
| Ecuador      | 100              | 96                   | 92             | 95         | 98           | 82          | 78        | 100       | 92.7        |
| Panama       | 80               | 100                  | 91             | 97         | 100          | 89          | 84        | 85        | 90.6        |
| Mexico       | 80               | 80                   | 90             | 95         | 97           | 84          | 85        | 89        | 87.6        |
| Malaysia     | 81               | 66                   | 90             | 97         | 96           | 94          | 95        | 76        | 86.8        |
| Costa Rica   | 84               | 76                   | 90             | 97         | 97           | 89          | 82        | 78        | 86.6        |
| Spain        | 84               | 70                   | 89             | 84         | 93           | 87          | 100       | 83        | 86.1        |
| <b>Malta</b> | <b>78</b>        | <b>84</b>            | <b>87</b>      | <b>100</b> | <b>78</b>    | <b>86</b>   | <b>93</b> | <b>82</b> | <b>86.1</b> |
| Colombia     | 84               | 68                   | 90             | 82         | 91           | 88          | 85        | 95        | 85.4        |
| Portugal     | 79               | 74                   | 90             | 86         | 88           | 81          | 98        | 82        | 84.8        |
| Thailand     | 76               | 68                   | 92             | 94         | 100          | 89          | 79        | 79        | 84.6        |
| Italy        | 73               | 69                   | 82             | 84         | 100          | 83          | 95        | 79        | 82.9        |
| Uruguay      | 68               | 70                   | 62             | 92         | 97           | 89          | 90        | 86        | 82.0        |
| Belize       | 83               | 84                   | 92             | 100        | 74           | 80          | 66        | 78        | 81.9        |
| Nicaragua    | 92               | 70                   | 100            | 90         | 75           | 79          | 68        | 80        | 81.7        |
| New Zealand  | 64               | 72                   | 57             | 100        | 100          | 83          | 91        | 83        | 81.0        |
| Brazil       | 71               | 76                   | 81             | 81         | 96           | 80          | 79        | 82        | 80.8        |
| France       | 60               | 84                   | 57             | 84         | 100          | 87          | 96        | 79        | 80.8        |
| Ireland      | 69               | 76                   | 57             | 100        | 100          | 84          | 97        | 57        | 80.0        |
| Honduras     | 76               | 73                   | 87             | 95         | 79           | 80          | 67        | 79        | 79.5        |
| Chile        | 78               | 73                   | 63             | 86         | 97           | 83          | 93        | 60        | 79.1        |
| Dom. Rep.    | 84               | 68                   | 78             | 82         | 89           | 79          | 73        | 71        | 78.1        |
| Guatemala    | 76               | 62                   | 92             | 68         | 84           | 80          | 72        | 81        | 77.0        |
| Philippines  | 73               | 57                   | 92             | 92         | 86           | 80          | 66        | 64        | 76.3        |
| Cambodia     | 73               | 57                   | 92             | 76         | 94           | 72          | 57        | 68        | 73.7        |
| Vietnam      | 57               | 57                   | 100            | 57         | 57           | 76          | 62        | 72        | 67.3        |

Ent. & Amen. = Entertainment and Amenities  
Infra. = Infrastructure  
Dom. Rep. = The Dominican Republic

## The Residence Programme

This programme applies to EU/EEA/Swiss nationals who would like to earn a special tax status in Malta which applies a 15% flat rate of tax on all foreign sourced remitted income to Malta.

A minimum annual tax of EUR15,000 however applies. The applicant must also either purchase immovable property in Malta or else rent such property with minimum amounts of spending determined by law and reproduced in the following page. Property in Malta is affordable and considered a sound investment with property prices constantly on the increase.

## The Retirement Programme

This programme applies to pensioners that are EU/EEA/Swiss nationals. Pensioners applying under this programme are also taxed at flat 15% on their foreign pension remitted to Malta.

The minimum annual tax is EUR7,500 plus EUR500 for every dependant or special carer, if any. Same property rental/purchase requirements apply as under the Residence Programme. The whole pension must be received in Malta and such pension must constitute at least 75% of the individual's taxable income.

## The Residence Programme and the Retirement Programme compared:

|                                   |   |
|-----------------------------------|---|
| <b>Eligibility</b>                | Both programmes apply to nationals of the EU, EEA or Switzerland, and who do not have a long term residence permit in Malta, nor benefit from another Scheme.   |
| <b>Income Requirements</b>        | Applicants must be in receipt of stable and regular means of resources in order to maintain themselves and any dependents, without recourse to Malta's social assistance system. Under the Retirement Programme, at least 75% of the taxable income must constitute pension income.   |
| <b>Minimum Tax Requirements</b>   | Minimum tax under the Residence Programme is set at €15,000 per annum and no additional minimum tax is due for dependants, if any. Minimum tax under the Retirement Programme is €7,500 plus €500 for every dependant. The rate of tax is a flat 15% on foreign source income remitted to Malta, and any foreign income not remitted to Malta is not taxed. Very interesting is the fact that any foreign capital gains are not taxed even when remitted to Malta.              |
| <b>Property Requirements</b>      | Required to purchase immovable property for at least €275,000 in Malta, or €220,000 for property in Gozo (Malta's sister island) and the South of Malta. Alternatively, one can rent property and pay annual rent of at least €9,600 for property in Malta and €8,750 for property in Gozo and the South of Malta. In both cases whether the property is owned or rented, the applicant would need to declare that such property is the principal place of residence worldwide. |
| <b>Stay Requirements</b>          | No minimum stay requirements in Malta to obtain such special tax status under the Residence Programme. A minimum stay of 90 days per calendar year averaged over a 5 year period is required under the Retirement Programme. Under both programmes, beneficiary must not spend more than 183 days in a calendar year in any one other jurisdiction outside of Malta.  |
| <b>Documentation Requirements</b> | Beneficiary and his/her family must be covered by a health insurance policy and must be in possession of a valid travel document. Furthermore, certain documents will need to be filed with application as part of due diligence process. Applications can only be filed by an Authorised Registered Mandatory (ARM). Altima Malta Limited's directors are registered as ARMs with the Maltese Tax Authorities.   |
| <b>Costs</b>                      | <p>Application fees applicable under the Residence Programme amount to €6,000 (or €5,500 for those who seek to live in Gozo or the South of Malta). Application fee applicable under the Retirement Programme is €2,500.</p> <p>Our fees for the application process as well as ongoing compliance fees are reasonable and pre-agreed with client. Contact us on <a href="mailto:info@altimamalta.com">info@altimamalta.com</a> for further details.</p>                        |



For further details, please contact us as follows:

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