



Malta: A Mediterranean lifestyle within your reach

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The Maltese Islands, an archipelago strategically located in the heart of the Mediterranean Sea, boasts a rich history and strong cultural links. Described as a melting pot of cultures and people, it enjoys excellent healthcare, warm year-round climate and laid-back lifestyle in an exceptionally safe, friendly and hospitable atmosphere.

Malta's strong diplomatic relationships with all its neighbours are testament to its geographic position as the bridge between Europe and the African continent. A position which Malta has leveraged off, successfully developing as a commercial hub over the centuries, since the very beginning of international trade.

Malta has a European identity having become a full member of the EU in 2004 and also joining the Eurozone in 2008, officially and irrevocably anchoring itself into the very core of European values, culture and identity. EU Membership was an economic success as Malta has reaped the full benefits of EU membership, continuing to develop significantly since.

EU Membership has also had a tremendously positive impact upon Maltese society. Though always a melting pot of cultures, EU membership has seen the numbers of expatriates swell considerably as Malta continues to grow and prosper at a tremendous rate, notwithstanding the global and regional economic turmoil experienced of the last few years.

While Malta continues to be a sought-after holiday destination, its success as a destination for residence of many non-Maltese nationals is astounding. Malta continues to elicit great interest from both third-country nationals and EU nationals alike. Interest which is generated for many reasons, including the promise of a favourable tax environment for people taking up residence in Malta. Whether this is to make Malta their base for their international business activities or simply to enjoy the fruits of their labour and retire in Malta.

The general tax system which determines an individual's personal tax liability on the basis of their residence, ordinary residence and domicile applies, such that individuals who are ordinarily resident and domiciled in Malta are subject to income tax in Malta on their worldwide income and certain capital gains. While Individuals who are resident but not considered to be domiciled in Malta (most expatriates would fall in this latter category) are not taxed on their worldwide income, but only on Maltese-sourced income and certain capital gains as well as on foreign source income received or remitted to Malta.

In addition to the above a number of special tax statuses are available for various personal circumstances which would generally provide for a flat 15% tax rate upon qualifying income subject to the satisfaction of various conditions. For further information about these special tax statuses please contact the authors of this factsheet, your KPMG key contact or access our factsheets at the following link: www.kpmg.com/mt/investinginmalta

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