

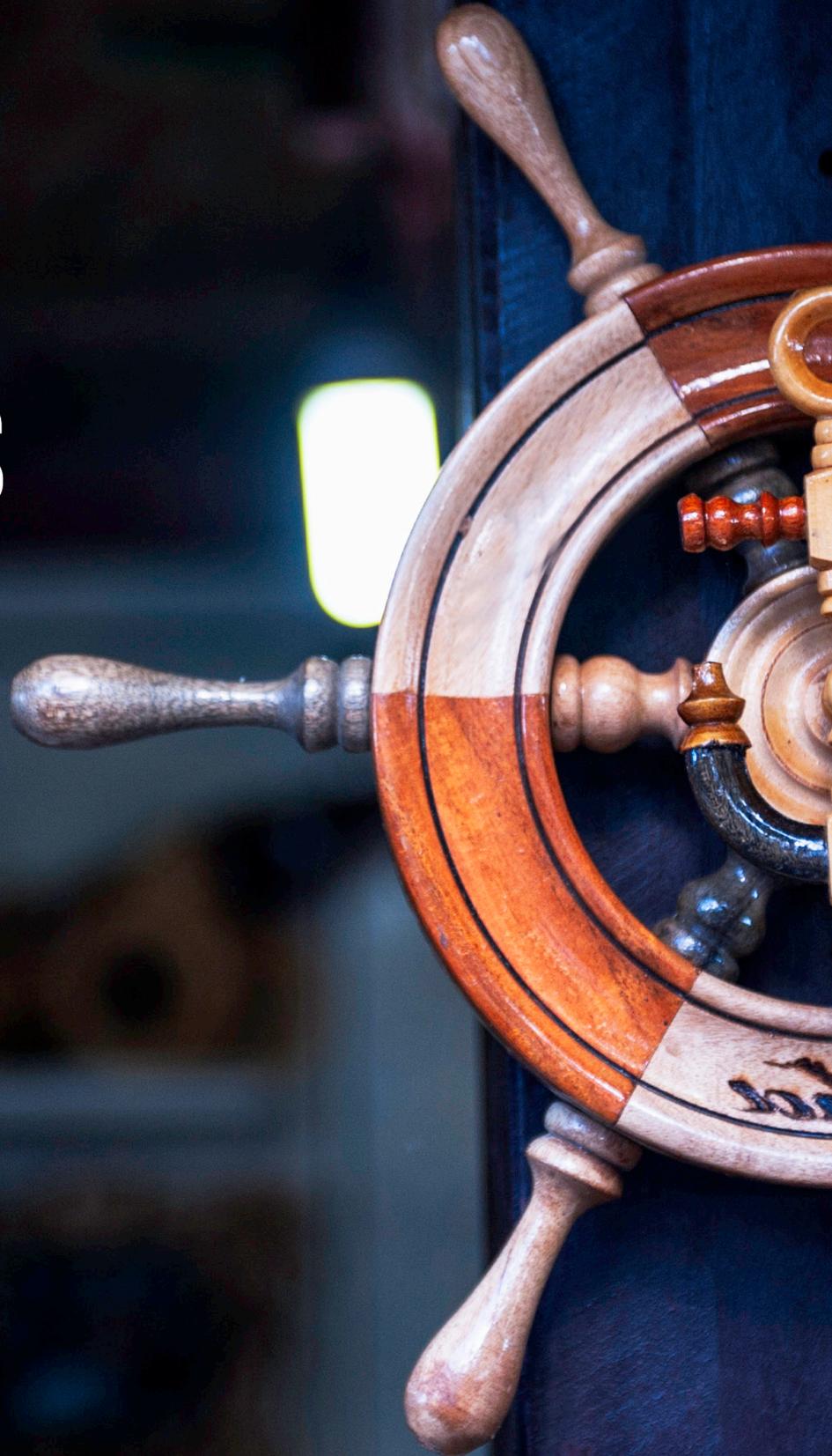


Highly Qualified Expatriates

Maritime Sector

July 2018

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Introduction

Individuals holding certain key positions with undertakings operating in the Maritime industry or involved in Servicing the Offshore Oil and Gas industry may benefit from this special tax status.

The Benefit

A beneficiary may opt to be taxed at a flat rate of 15% on the income earned from a qualifying contract of employment in an eligible office provided that the income, excluding the value of any fringe benefits, amounts to at least €65,000 annually. Further no tax would be charged on qualifying income exceeding €5,000,000 earned during the eligibility period of the status.

The benefit applies for a consecutive period of 5 years for an EEA/Swiss national and for a consecutive period of 4 years for third country nationals, subject to the possibility of a one-time extension of the applicable eligibility period. The eligibility period commences from the year in which the individual first becomes taxable in Malta.

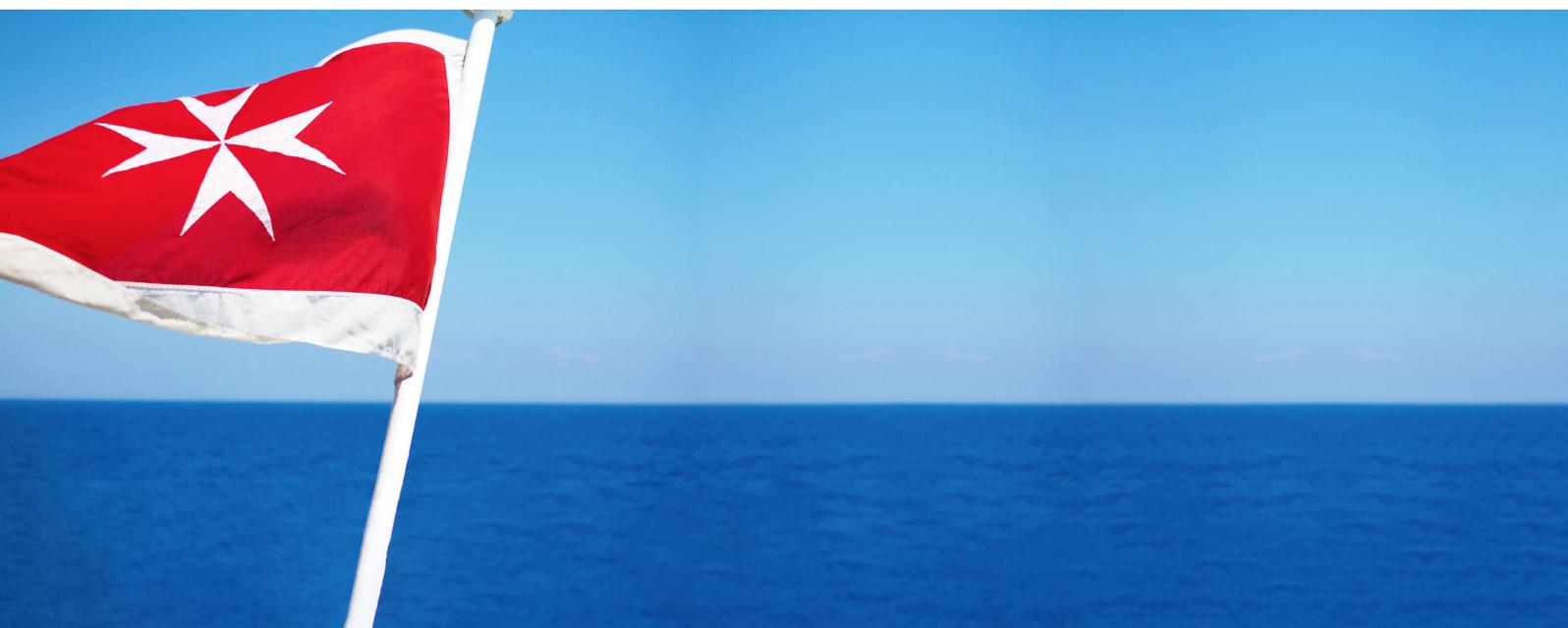
Eligible Offices

Maritime Activities

Chief Executive Officer	Crewing Manager	Technical Ship Superintendent
Chief Operations Officer	Technical Manager	Designated Person Ashore
Managing Director	Chef	Master
Chief Financial Officer	Second Officer	Chief mate
General Manager	Chief Engineer	Second Engineer

Servicing of the Offshore Oil and Gas and Ancillary Services Industry Activities

Chief Executive Officer	Head of Training Academy (which Academy must be certified by an international accreditation institution)	Chief Operating Officer
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The Qualifying sector

Employment must be with:

- i. An undertaking holding a Document of Compliance (DOC) issued in terms of the International Safety Management (ISM) Core or a Seafarer Recruitments and Placement Services License issued in terms of the Maritime Labour Convention, 2006; or
- ii. An undertaking engaging the individual for work on board any ship excluding ships which operate on a regular services as well as those certified by the Commercial Vessels Regulations and which for at least a one month period are berthed or anchored within the Maltese territorial waters or ports; or
- iii. An undertaking servicing the offshore oil and gas and ancillary services industry.

Eligibility

In order to be eligible for the status, the beneficiary must satisfy a number of conditions, including:

- Derive sufficient emoluments payable from a qualifying contract of employment;
- Not acquire domicile for tax purposes in Malta;
- Obtain the endorsement of the relevant competent authority verifying that s/he performs the activities of an eligible office;
- Hold the required professional qualifications or experience; and
- Hold adequate health insurance in respect of themselves and all dependents.

Further neither the employer nor any related person may have received a benefit or an arrangement in terms of the business incentive laws. Similarly the expatriate must not have benefitted from incentives available to investment services and insurance expatriates.

How can KPMG help?

KPMG Malta can advise you and/or your employees in relation to the personal tax and immigration implications of the employment, one's eligibility in terms of any available special tax status as well as assisting with the preparation and submission of any application in terms thereof.

If you would like to know more about this status, or indeed to discuss any other personal income tax matter, get in touch with your local KPMG contact or the undersigned; we're here to help.



Contact Us



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