



GMS Flash Alert

Immigration Edition

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Malta - COVID-19: Limited Entry and Work Permit Services, Tax Implications

Malta's government has announced a number of measures with respect to travel to Malta and work permits for non-European Union (EU) nationals.¹ These steps are primarily designed to help control and prevent the spread of COVID-19 and mitigate the economic and social impact of unemployment due to the pandemic.

WHY THIS MATTERS

The imposition of quarantine and travel restrictions will impact on employers and their globally-mobile employees between Malta and countries around the world.

With the closure of visa / work permit application offices in some cases, limitation of services offered to the public in others, both businesses and individual applicants will be affected in a number of ways. Some of the immediate impacts are:

- The start dates for individuals who are intending to come to Malta to work are most likely to be delayed, or no longer considered eligible for a work permit unless the revised thresholds are satisfied;
- International assignments are likely to be delayed or cancelled; and
- Visa applications that are currently being processed will be delayed or halted.

Until the government decides it is safe to rescind or roll-back current restrictions, extensive remote working is a "best practice" for globally-mobile employees, to the extent possible, and is a way for employers to foster the safety of their employees and help ensure business continuity.

Announcement 1 – Mandatory Quarantine

Effective 17 March 2020, all travelers entering Malta by means of air and sea are to observe a mandatory self-quarantine period of 14 days. The Malta Police Force is conducting random spot checks and anyone in breach of the rules is subject to a fine of €3,000 per offence.

Also, a fine of €10,000 has been introduced for individuals who are found in breach of instructions to self-quarantine issued by the health authorities.

Announcement 2 – Suspension of Visa Services

As of 18 March 2020, Malta and its Consulates have suspended all visa services, until further notice.² Visas will be issued only in extreme cases, on humanitarian grounds, or in the case of national interest, or for the needs of the health authorities.

Announcement 3 – Foreign Nationals Entering Malta

Effective 00:00hrs on Saturday, 21 March 2020, Malta began its temporary ban on all air and sea travel to Malta by all foreign nationals except for those already resident of Malta. Maltese citizens and residents of Malta, upon arrival, will be screened and subsequently placed under a mandatory self-quarantine period of 14 days.

The ban does not apply to “ferry flights,” cargo flights, humanitarian flights, and repatriation flights.

Announcement 4 – Changes at the Expatriate Unit

The Customer Care Unit is closed and will only attend to queries sent by email or made over the phone.

There is a temporary suspension of the issuing of permits in respect of new work/residence applications. Applications that were in process on 14 March are to be put on hold and no decision on said application will be communicated for the time being.

Submissions of new work/residence permit applications, renewal of work/residence permits, and applications for change of employer are to be made online. Applications in person may only be submitted by individuals whose employer cannot register for the online services.

New work/residence permit applications will only be issued in respect of medical professionals and ‘highly-skilled’ employees. There is no official definition of the term however.

KPMG NOTE

It is our understanding that the authorities, once the suspension has been lifted, will only be accepting and processing applications for non-EU nationals who will receive a minimum annual gross remuneration of €30,000 coupled with a minimum of three years’ relevant work experience or academic qualifications of MQRIC Level 6 or higher.

Non-EU nationals who are already in employment may apply to have their work/residence permit renewed online (are not subject to the forgoing ban).

Residence and work permits of all foreign workers in the health, disabled, and care of the elderly sectors are being automatically extended by three months.

Procedures for the exchange of the residence card of British nationals who are already residents of Malta have been temporarily suspended; however, their current cards will remain valid. Others who moved to Malta after the Brexit/Withdrawal date but during the transition period, may apply for the residence card only after three months have passed from the individual's arrival in Malta.

KPMG NOTE

Other Potential Implications – Personal Tax, Social Security, and Corporate Tax

In the context of this pandemic, employees in all sectors are increasingly working remotely where possible, and this may have significant implications especially where the employee is working from a country which is not his/her habitual place of work and/or his country of residence. In such circumstances personal tax, social security, and corporate tax issues may arise for the individual and/or the employer.

One such issue may be that of tax residence of the individual, especially in situations where the individual has been stranded by the various travel bans in a jurisdiction which is not his country of residence and/or habitual place of work. One's extended presence while working in Malta, or on the flip side, outside of Malta, may affect his personal tax residence and consequently give rise to payroll obligations and/or corporate tax exposure for the employer.

Government Support Measures

The Maltese government has introduced various support measures for Maltese employers and their employees who are facing difficulties due to COVID-19. For further information, please refer to the specific fact-sheets on the subject published by the KPMG International member firm in Malta and available at our [COVID-19 homepage](#).

What's Happening Next

KPMG in Malta is closely monitoring developments and will endeavour to provide updates on the main measures taken by the Maltese authorities which are aimed at helping control and prevent the spread of COVID-19.

FOOTNOTES:

1 For information on the steps Malta's government has taken, see:

(in Maltese) <https://www.gov.mt/mt/Government/DOI/Press%20Releases/Pages/default.aspx>

(in English) <https://www.gov.mt/en/Government/DOI/Press%20Releases/Pages/default.aspx>

2 For additional information on travel restrictions, repatriations etc., see:

<https://foreignandeu.gov.mt/en/Pages/Home.aspx> . On repatriation assistance and the move to limit visa services, see: <https://foreignandeu.gov.mt/en/Government/Press%20Releases/Pages/The-government%E2%80%99s-voluntary-repatriation-assistance-scheme-for-all-foreign-nationals-extended-until-the-10th-of-May-2020.aspx>.

Contact us

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The information contained in this newsletter was submitted by the KPMG International member firm in Malta.

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