

## Relocation and Immigration

Malta Residence and Work permits



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### Malta Residence and Work permits

Through a number of Residence permit types, one can live and work in Malta.

Mainly through:

- A. Employment or Self Employment
- B. Economic Self-Sufficiency
- C. Education (Study)
- D. International/National Protection

One fundamental concept to obtaining a Malta residence card is that both European and third country national applicants need to be able to demonstrate to the Expatriates Department that they will be able to sustain themselves whilst residing in Malta and therefore would not become a burden on the Maltese economy. Proof such as having full medical cover and proof of financial resources are therefore required.

A residence permit should be applied for within 3 months from arriving to Malta. Whilst working in Malta, one should also ensure that all compliance with social security, income tax and employment conditions are complied with.

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#### A. Employment in Malta

An employer looking to employ a third country national; that is a national which is not from EU, EEA or Swiss; first needs to obtain an employment license (also known as a Malta work permit) for that individual. The employment license is issued to a specific employer for a specific employee for a specific job. The employment license cannot be transferred to another employee, or to another employer. The Malta work permit is generally valid for one year or in certain cases it is valid for less than one year. The documents required to apply for an employment licence are as follows:

1. Application form
2. Covering Letter from the Employer indicating place of work (with (unless exempted from this requirement) labour market considerations and efforts described to seek EU/EEA/Swiss nationals for this position);
3. Identity registration Form;
4. Position Description on prescribed template, signed by the Employer, indicating also the salary being offered for the position;
5. Passport copy (all pages);
6. Visa copy (if already present in Malta);

7. Signed and stamped Letter of Character Reference (from a professional accountant, lawyer or notary, who has known the applicant for at least two years, including full contact details of the Professional and in which capacity they have known the Applicant);
8. Proof of local private health insurance (hospital plan) covering one year or more (covering all risks throughout the EU);
9. Qualification Certificates (related to the employment), together with receipt or certificate from MQRIC for recognition and grading of this qualification;
10. Original Reference letters testifying relevant work experience for this employment, including start and end dates of each employment, the full employer details and full job description for each position). This is especially important if the applicant does not have formal qualifications for this position, were three years or more of relevant work experience could be used to apply for the Malta work permit;
11. Birth Certificate;
12. Marriage Certificate (if applicable);
13. Police Conduct certificate;
14. Signed Curriculum vitae (CV) on prescribed template;
15. Cheque payment for Application fee, currently Eur280.50;
16. Colour passport size photos (certified true likeness on each photo);
17. Residential lease agreement with a copy of the Lessor's ID card, or if the applicant owns a property, a copy of the contract of purchase.

Renewals should be submitted as early as possible (generally 3 months before expiry). Proof of payment of social security contributions and tax is submitted on applying for renewal (on prescribed template). The audited financial statements of the Employer may also be required.

#### **Labour Market considerations**

The employment license may be subject to certain **labour market considerations**, with some Exceptions to the following lines of work;

##### **(i) Health Related Professionals**

- Personal Care Workers, home based for aged or disabled persons
- Chemists, Doctors (General Practice, Specialised Medical)
- Nurses, Veterinarians
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##### **(ii) Technical and Building professionals**

- Architects and Civil Engineers , Engineers (Electronics)
- Geologists, Geophysicists
- Engineers in aviation maintenance

##### **(ii) IT, Finance and Education Professionals**

- Accountants, Auditors
- University and higher education teachers/lecturers
- Computer network professionals, Computer Programmers
- IT Consultants, Engineers, (Computer Hardware & Software), Systems analysts

### **Regulated Professionals**

Regulated professionals require approval from the professions regulatory body in Malta (indicating that the person is authorised to practice that profession) before applying for the employment license as a regulated professional.

### **Family members**

For a third country national with an employment license in Malta, looking to relocate a Family member to Malta as their dependent, the following documents are required:

- application form;
- passport and visa copy;
- residential lease agreement;
- health insurance (SSC (NI) of the sponsor, or private Key plan, hospital plan covering all risks for the family member);
- a letter from the sponsor stating the applicants purpose of residing in Malta;
- Proof of Sponsor's financial resources (the sponsor needs to show payslips (minimum of the last 3 months) with an adequate level of income and/or bank statements; in order for the proof of financial means to be assessed accordingly);
- Birth certificate;
- Marriage certificate (if applicable);

The spouse would need to be over the age of 21 to fall under this residence permit route, and the children need to be under 18 and not yet married.

### **Spouse of EU national**

If an EU national is married to a third country national, they may apply for a residence permit in Malta as long as they can proof that they have regular income and that their relationship has existed for more than two years.

### **Long Term residence**

Third country nationals who have legally resided in Malta for five years or more, may apply for long term residence. During this period, applicants should not have left Malta for more than 6 consecutive months in any year and they should not have been away for more than ten months during this five year period.

### **EU, EEA or Swiss nationals**

EU, EEA or Swiss nationals do not require an employment license (Malta work permit), however they would still need to apply for a tax and social security number and register their employment in Malta with the Employment and Training Corporation (ETC).

### **Self Employed Third country nationals**

A third country national seeking self employment in Malta can apply under one of the following routes;

- i) Invest Eur500,000 in business related capital expenditure in Malta (such as immovable property or plant and machinery), within six months from the date the employment license is issued. The investment would be in line with a business plan submitted on application, and supported with a letter of reference from a Maltese bank confirming that the applicant has sufficient facilities to support that business plan;
- ii) Highly skilled innovators with a business plan showing recruitment of three or more EU/EEA/Swiss nationals within 18 months;
- iii) sole representative of an overseas company with a sound reputation and which has been established for three years or more, looking to open a branch in Malta;
- iv) a person leading a project formally approved by Malta Enterprise;

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A **third country national shareholder** (or ultimate beneficial owner) of a Maltese resident company may apply under the following routes:

- a) fully paid up share capital of Eur500,000 (through cash or stock injection) or more for each third country national shareholder (not redeemed, reduced or transferred for 2 years from the employment license issue date);
- b) business capital expenditure of Eur500,000 (such as immovable property or plant and machinery) in Malta by the company (in certain cases a six month period is allowed from the date the employment license is issued, during which the investment would be made);
- c) a company is the sole representative of overseas company with sound reputation and established for 3 years or more seeking to open branch in Malta;
- d) a company leading a project formally approved by Malta Enterprise.

In all cases, a detailed business plan (showing any plans to employ EEA/Swiss/Maltese nationals) together with the Memorandum and Articles of Association and the Certificate of Incorporation of the said company needs to be submitted.

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### **Self Employed EU/EEA/Swiss nationals**

For persons coming to Malta to start a business as a Self Employed person, before applying for your residence card you would first need to obtain the following registrations:

- (i) Social Security (NI) registration
- (ii) Tax registration
- (iii) Employment and Training Corporation (ETC) registration

Once these registrations are complete, one can then proceed in applying for a Malta residence card. The Documents required (including documents required for our due diligence process) are as follows:-

1. Application form;
2. ID Registration Form;
3. Electoral Register Form;
4. Passport copy;
5. Employment and Training Corporation (ETC) Registration letter and Engagement Form;
6. Trade Certificate;
7. VAT registration certificate;
8. Taxpayer Registration certificate;
9. Social Security (NI) Registration certificate;
10. Residential Lease agreement;
11. Birth Certificate;
12. Marriage Certificate (if applicable);
13. Police Conduct Certificate.

EU/EEA/Swiss nationals applications are submitted in person at Identity Malta, with photos and signature being taken at the time of application. A European e-residence card is then issued once the residence permit is approved. This card serves both as a residence permit and as a photo identification document.

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## **B. Economic Self Sufficiency**

All EU, EEA or Swiss nationals that can prove that they are financially stable and that they will not become a burden on the Maltese economy, can apply for a residence permit on the basis of economic self sufficiency.

The minimum current thresholds are either a proof of capital of Eur14,000 (Eur23,300 for a married couple) or an annual income of Eur4,800 or more (Eur5,648 for married couple). The Expatriates department may, at their discretion, ask for other documentation to ascertain the financial stability of the applicant before approving the residence application.

This route to a residence permit is not available for third country nationals.

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## **C. Education Purposes (Study)**

Third county nationals that would like to study in Malta would first obtain an acceptance letter from their school or college (recognised by Maltese MQRIC), and then apply for a residence permit for the purpose of study. The legal guardian of a minor studying in Malta with a study residence permit, can also apply for residence based on the students study residence permit, to reside in Malta and to take care of the minor during their studies here in Malta.

#### **D. International/National Protection**

For situations where a person (refugee) is seeking protection (asylum) in Malta whilst fleeing from persecution or serious danger.

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#### **Documentation**

All photocopies submitted should be certified true copies, certified by a warrant holder (accountant, notary or lawyer).

All photographs and photo identification is to be certified as true likeness of the applicant.

Full contact details of the person certifying the copies including warrant number are required.

Certifications are to be signed and dated by the person certifying the copy.

All documents should be translated to English by a professional certified translator.

Residential Lease agreements need to clearly indicate the name of the applicant, the Lessor's Identification card number and the duration of the lease.



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#### **Income Tax**

After being physically present in Malta for six months or more in any one given year, one is said to be resident in Malta for income tax purposes.

Being resident but not domiciled in Malta, one is taxed on income and gains arising in Malta and on income arising outside of Malta which is transferred (remitted) to Malta. Foreign capital gains are not taxed in Malta, even if transferred to Malta.

Personal tax in Malta is charged at progressive tax rates, with a maximum rate of tax of 35%. There are 3 rates of tax; single, married and parent rates; as detailed in the next page.

## Tax Rates for Basis Year 2016

Tax Rates			
Chargeable Income (€)			
From	To	Rate	Subtract (€)
<b>Single Rates</b>			
0	9,100	0%	0
9,101	14,500	15%	1,365
14,501	19,500	25%	2,815
19,501	60,000	25%	2,725
60,001	And over	35%	8,725
<b>Married Rates</b>			
0	12,700	0%	0
12,701	21,200	15%	1,905
21,201	28,700	25%	4,025
28,701	60,000	25%	3,905
60,001	And over	35%	9,905
<b>Parent Rates</b>			
0	10,500	0%	0
10,501	15,800	15%	1,575
15,801	21,200	25%	3,155
21,201	60,000	25%	3,050
60,001	And over	35%	9,050