

# THE RESIDENCE PROGRAMME RULES (TRP)



View from Sliema, Malta

The Residence Programme Rules (TRP) effectively replace the High Net Worth Individuals Rules applicable to EU/EEA/Swiss Nationals Rules. The TRP is tailored for expatriates who are nationals of the EU, EEA or Switzerland and who are not permanent residents of Malta, Third Country Nationals or Maltese nationals/citizens and must not be currently benefiting from any other special tax status in Malta. This scheme may appeal to expatriates seeking an alternative residential base in a warm Mediterranean Island in the European Union.

## Financial Requirements

Requirements	North and Central Malta	Gozo and South Malta
Minimum Annual Rental	€9,600	€8,750
Purchase of Immovable Property	€275,000	€220,000
Minimum Annual Tax	€15,000	€15,000
Non-Refundable Application Fee	€6,000	€5,500

## Other Requirements

- Possession of a valid travel document.
- Must be fluent in one of the official languages in Malta (Maltese or English).
- Evidence of good conduct.
- Pass a Fit and Proper Test (due diligence will be carried out by the IRD).
- A Private Health Insurance Policy which covers all medical risks in Malta and EU.
- The applicant must be in receipt of stable and regular resources.

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## Tax Treatment

- Foreign source income, which is received in Malta, is taxable at the rate of 15%.
- The minimum annual tax liability is €15,000.
- Additional income that is not covered by these rules is charged separately at the rate of 35%.
- Possibility of claiming double tax relief but subject to the minimum annual tax liability.
- No inheritance taxes.
- Income from work outside of Malta is tax-free as long as not remitted into Malta.
- No net worth or wealth taxes.
- No tax on capital gains arising outside Malta, even if such gains are received in Malta.

## Other Benefits of the Scheme

- No minimum investment requirements.
- The special tax status under TRP can be inherited subject to the beneficiary continuously satisfying the TRP conditions.
- Beneficiaries may also have household staff providing a service in their qualifying property, as long as all the requisite procedures are satisfied.

## Annual Obligations

Once the residence application has been approved, the TRP permit holders are required to fulfil the following annual requirements.

- Maintain a qualifying property in Malta.
- Maintain a private health insurance policy if no Social Security Contributions.
- Maintain a stable income.
- Abstain from staying in any other jurisdiction for more than 183 days.
- Special reporting obligations (filing of an annual tax return).

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An application for the TRP status must be made through the services of a person that qualifies as an Authorised Mandatory and MJM Europe Limited is registered as such with the Inland Revenue Department. We would be pleased to offer assistance in obtaining TRP status.

NOTE: - Intended for general guide - specialist advice should be sought about your specific circumstances.



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