

WHPARTNERS

RELOCATING TO MALTA

THIRD-COUNTRY NATIONALS



Relocating to a new country is a significant step. For Third-Country Nationals (TCNs), Malta offers an enticing destination in the heart of the Mediterranean. This guide is your go-to resource for a seamless transition, covering immigration, education, healthcare, and more.



WHO FALLS UNDER THE CATEGORY OF A THIRD-COUNTRY NATIONAL?

TCNs are individuals who are not citizens of the European Union, European Economic Area (EEA) or Swiss nationals.

DO TCNS REQUIRE A VISA TO ENTER MALTA?

Yes, TCNs usually require a Schengen visa to enter Malta, unless they are from a visa-exempt country.

IS THERE ANY DURATION RESTRICTION IMPOSED ON TCNS IN MALTA?

TCNs in receipt of a Schengen visa will only be allowed to stay in the Schengen Area for the duration mentioned on the visa itself whilst visa-exempt TCNs are allowed to stay in the Schengen Area for up to 90 days within a 180-day rolling period.

BY WHAT CRITERIA CAN A TCN CONTINUE TO STAY IN MALTA ONCE THEIR SCHENGEN VISA HAS EXPIRED?

Once the Schengen visa has expired, a TCN cannot remain in Malta unless there is a valid legal basis for their continued stay. A TCN can remain in Malta based on:



employment



self employment



self sufficiency



study, research,
training and voluntary
organisations



family member of an
individual residing in
Malta



health reasons



refugee and
subsidiary
protection

The most popular legal basis is through employment.

IS IT PERMISSIBLE TO USE A SCHENGEN VISA FOR WORK IN MALTA?

Although a Schengen visa grants TCNs the ability to visit Malta and other Schengen countries for a specific period, the Schengen visa does NOT serve as a work permit. To be able to work in Malta TCNs need a single permit.

WHAT IS THE DIFFERENT BETWEEN A SINGLE PERMIT AND A RESIDENCE PERMIT?

A single permit is issued to a TCN for the purpose of working and residing in Malta. TCNs who are residing in Malta for other purposes than work will be granted a residence permit.

WHAT IS A SINGLE PERMIT?

The single permit is the combination of both a residence permit and an employment license into a single document. This unified approach simplifies the process and enhances convenience for the permit holder.

The single permit grants TCNs the legal authorisation to reside in Malta and take up employment with a specific employer in a specific position. If one of these elements changes or stops being effective, the single permit is not considered to be valid.

The single permit is issued for 1 year with the possibility of renewing it for 2 years.

CAN A TCN USE A RESIDENCE PERMIT FROM ANOTHER EU MEMBER STATE TO WORK IN MALTA?

No, a TCN cannot use a residence permit issued by another Member State to work in Malta. The TCN is still obliged to submit a single permit application when seeking employment in Malta.

Also, the single permit does not grant the TCN the possibility to go to another EU Member State and take up employment there.

ARE THERE ANY FAST-TRACK ROUTES FOR HIGHLY SKILLED TCNS WHO WISH TO TAKE UP EMPLOYMENT IN MALTA?

Highly skilled TCNs have the option to choose the Key Employment Initiative (“KEI”), which offers a simplified procedure with shorter processing times and fewer required documents. The KEI is particularly attractive to employers seeking candidates for managerial or technical positions. To be eligible for the KEI, individuals must have:

a minimum annual gross
salary of €35,000

professional qualifications
OR minimum 3 years’
previous experience

WHAT CRITERIA DOES THE TCN NEED TO MEET TO OBTAIN AN EU BLUE CARD?

The TCN has to be in possession of professional qualifications and an employment agreement for a minimum period of 1 year with a salary that is 1.5 x the average gross annual salary in Malta.

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- a minimum annual gross salary of €35,000;
- professional qualifications OR minimum 3 years’ previous experience.

The permit is issued for 1 year with the possibility of renewing it for 3 years.

ARE THERE ANY ALTERNATIVE ROUTES FOR PROFESSIONAL TCNS WHO DO NOT MEET THE KEI CRITERIA?

Professional and/or technical TCNs may apply for a single permit under the Specialist Employee Initiative (“SEI”) which also offers a simplified procedure with shorter processing time. To be eligible for the SEI, individuals must have:

- a minimum annual gross salary of €25,000;
- professional qualifications directly related to the job OR minimum 3 years’ previous experience.

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The TCN has to be in possession of professional qualifications and an employment agreement for a minimum period of 1 year with a salary that is 1.5 x the average gross annual salary in Malta.

WHAT IS THE DIFFERENCE BETWEEN A SINGLE PERMIT AND AN EU BLUE CARD?

- 1.** The EU Blue Card is available to highly qualified TCNs, recognizing their expertise and skills. On the other hand, the single permit has a broader scope, potentially encompassing low - or non - skilled workers.
- 2.** If the blue card holder loses their employment in Malta, they have a 3 month timeframe to secure a new job. If the 3 month period elapses without finding new employment, the EU blue card will be revoked, necessitating the TCN to leave the country. On the other hand, a single permit holder has to find a new employment and submit a new single permit application within 10 days of termination of employment. Failure to secure new employment and submit a new single permit application within this timeframe would result in the TCN being regarded as an illegal resident in Malta, prompting a request for their departure from the country.

IS IT POSSIBLE FOR A TCN TO BE ASSIGNED FROM A FOREIGN COMPANY TO A MALTESE COMPANY? IF SO, WOULD THEY STILL NEED TO OBTAIN A SINGLE PERMIT?

Yes, a TCN can undergo an intra-corporate transfer (“ICT”) from a foreign company to a Maltese entity that is part of the same corporate group, either for employment or training purposes. In such case, the TCN is required to apply for an ICT permit. This permit is usually valid for a minimum of 1 year or for the duration of the transfer to Malta, whichever is shorter. Extensions can be granted with a maximum limit of 3 years for managers and specialists and 1 year for trainee employees.

CAN A TCN PLAN TO WORK IN MALTA FOR A PERIOD LESS THAN 6 MONTHS?

Yes, this is possible, but it involves a two-step application process. Firstly, TCN is to apply for an employment license with Jobsplus, and then proceed to apply for a residence permit through Identita’.

IS IT ALLOWED FOR A TCN TO BE EMPLOYED BY A MALTESE COMPANY IN WHICH THEY HOLD SHARES OR ARE THE ULTIMATE BENEFICIAL OWNER?

Yes, this is possible, but it involves a two-step application process. Firstly, TCN is to apply for an employment license with Jobsplus, and then proceed to apply for a residence permit through Identita’.

The company of which the TCN is a shareholder or ultimate beneficial owner must meet 1 or more of the following criteria:

- Holding a fully paid-up share capital of at least €500,000, which may not be redeemed, reduced, or transferred to a third party during the first 2 years following the issuance of the employment license;

- Making a minimum capital investment of €500,000 that is to be used by the company; and
- The company is leading a project that has been formally approved by Malta Enterprise and formally notified to Jobsplus.

IS IT POSSIBLE FOR TCNS TO APPLY FOR A SINGLE PERMIT BASED ON SELF-EMPLOYMENT?

A single permit application process does not apply in the case of self-employment. If a TCN wishes to set up a business in Malta, an employment license with Jobsplus is required and it is only granted if 1 or more of the following 3 criteria is met:

1.

Making a minimum capital investment of €500,000 in Malta within 6 months from the date on which the employment license is issued

2.

Highly skilled innovators with a sound business plan to be submitted with the application who commit to recruiting at least 3 EEA/Swiss/Maltese nationals within 18 months of establishment

3.

Person leading a project that has been formally approved by Malta Enterprise and formally notified to Jobsplus

Once the employment license is granted, the TCN is to apply for a residence permit with Identita'.

CAN A TCN APPLY FOR A RESIDENCE PERMIT BASED ON SELF-SUFFICIENCY?

Yes, a TCN can apply for a residence permit based on self-sufficiency if the TCN benefited from a Maltese residence investment or tax programme like the Global Residence Programme, the Malta Permanent Residence Programme, and the Malta Retirement Programme. Applying through one of these specified programs is the sole means for a TCN to acquire a residence permit based on self-sufficiency. The residence permit does not provide the TCN with a right to take up employment in Malta, in such case an employment license from Jobsplus would be required.

DOES A RESIDENCE PERMIT OBTAINED FOR THE PURPOSE OF STUDY ALLOW THE TCN TO ENGAGE IN EMPLOYMENT?

No, TCNs should apply for an employment license with Jobsplus which would allow them to work 20 hours per week.

CAN A TCN OBTAIN A RESIDENCE PERMIT FOR HEALTH REASONS?

TCNs who proceed to Malta to seek medical treatment may be granted a residence permit, provided that all necessary documentation confirming the medical treatment are submitted with Identita'.

CAN A TCN SEEK A RESIDENCE PERMIT IN MALTA AS A REFUGEE?

The granting of a refugee and subsidiary protection status is the responsibility of the Refugee Commissioner. Following the issue of the certificate confirming such status, Identita' will issue a residence permit.

CAN TCNS BRING THEIR FAMILY MEMBERS TO MALTA?

Yes, TCNs have the option to bring their family members to Malta. Family members include:



TCN's spouse or de-facto partner



unmarried minor children of the TCN or the spouse



unmarried children of the TCN or the spouse who rely primarily on the TCN for financial support

The duration of the family members permit will coincide with the residence permit of the TCN. It is important to note that the residence permit issued to family members does not confer the right to seek employment. Should a family member desire to take up employment in Malta, they must undergo a separate application process for a single permit.

CAN TCNS SEEK LONG-TERM RESIDENCE STATUS IN MALTA?

Yes, TCNs who have maintained lawful and uninterrupted residence in Malta for a continuous period of 5 years are eligible to apply for long-term resident status.

ALTERNATIVE OPTIONS

TCN may encounter challenges when attempting to invest, settle, and reside in Malta due to the numerous permit-related requirements. To address this, the Government of Malta has introduced two alternative pathways that TCNs can consider establishing residence in Malta.

MALTA STARTUP RESIDENCE PROGRAMME

TCN who wishes to set up innovative startups and scaleups in Malta, may do so whilst simultaneously obtain a residence permit based on such startup or scaleup. The startups should operate in the

- manufacturing
- software development
- industrial services analogous to manufacturing
- health
- biotech
- pharmaceuticals, and
- life sciences or eco industries

Startups which operate other innovative economic activities, enabled through knowledge and technology and which provide services or products which are not readily available in the relevant market, or which shall be provided through a novel process may also fall within the remit of the Start up Residence Programme.

Core employees vital to the startup to start operating in Malta who have an annual gross salary of €30,000 may also benefit under the Start up Residence Programme. The residence permit for the founders and co-founders would be issued for a 3-year period, extendable for an additional 5 years. The residence permit for the core employees would be issued for a 3-year period, extendable for an additional 3 years.

The Malta Startup Residence Programme extends its eligibility to encompass family members of the startup founders, co-founders and core employees.

NOMAD RESIDENCY PERMIT

To qualify for the Nomad Residence Permit, TCNs must have the ability to work remotely using telecommunications technology, regardless of their location and meet one of the following criteria:

- Employed with an employer that is registered in a foreign country.
- Conducts business activity for a company that is registered in a foreign country and of which the TCN is a partner or shareholder.
- Offer freelance or consulting services mostly to clients, whose permanent establishments are in a foreign country, and with whom the TCN has contracts in place.

Additionally, they need to have a minimum monthly gross salary of €2,700.

IS IT POSSIBLE FOR TCNS RESIDING IN MALTA TO ACCESS SOCIAL SECURITY BENEFITS?

All persons who are over the age of 16 but under 65, engaged in insurable employment in Malta, must pay social security contributions. Contributions are withheld by the employer from the TCN's wages and are based on the basic weekly wage. TCNs may request to be exempted from registering in Malta if a state contribution is being paid in their home country.

Self-employed TCNs are responsible for managing their own social security contributions.

HOW WILL A TCN BE TAXED IN MALTA?

The TCNs who are resident in Malta (but not domiciled) are subject to tax in Malta on any income made in Malta, as well as any foreign income received in Malta or remitted to Malta. In principle, tax is charged at progressive tax rates ranging from 0% to 35%.

Foreign capital gains are not subject to tax in Malta.

TCNs holding an eligible office with entities licensed by competent authorities, such as the MGA or MFSA, may benefit from a 15% flat tax on income derived from a qualifying employment. The 15% tax rate applies for a consecutive period of 4 years for third country nationals. The period is subject to two extensions of 4 years each.*

TCNs who are temporary residents of Malta are not subject to tax on income or gains earned outside of Malta, TCNs in this scenario are only due to pay tax on income earned in Malta.

Self-employed TCNs are required in certain cases to register for a VAT number in Malta when carrying out economic activities from Malta, and charge VAT, where applicable, on their supplies.

*TCNs holding an eligible office with entities that are not necessarily licensed by competent authorities, may also benefit from a 15% flat tax on income derived from an employment focused on: (i) industrial research, (ii) experimental development, (iii) product development, (iv) product or process innovation, (v) mathematical synthesis and modelling, (vi) systematic, logical, scientific, inquisitive, investigative manipulation of data. The 15% tax rate applies for a consecutive period of up to 4 years, renewable for a further period of 5 years.

DOES A TCN HAVE ACCESS TO THE HEALTHCARE SERVICES IN MALTA?

Yes, a TCN would have access to the public healthcare system in Malta if the TCN pays social security contributions in Malta.

Moreover, dependents of the TCNs would also have access to the public healthcare system. TCNs and family members would be required to provide evidence of the social security contributions when requesting assistance through the public healthcare system.

DOES A TCN AND FAMILY MEMBERS HAVE ACCESS TO THE EDUCATIONAL SYSTEM IN MALTA?

TCNs and their family members in Malta have access to the educational system, including public schools and state-funded educational institutions. Access to education is provided to all residents, regardless of their nationality. TCNs and their family members are typically required to provide documentation to demonstrate their legal status in Malta, such as residence permits, when enrolling their children in school.

IS THE DRIVING LICENSE ISSUED IN THE TCNS HOME COUNTRY RECOGNIZED AS VALID IN MALTA?

TCNs are entitled to use their foreign driving license in Malta for a period not exceeding 12 months from the date of their last entry into Malta. After the expiration of such a period they are required to exchange it for a Maltese driving license.

CAN TCNS BUY IMMOVABLE PROPERTY IN MALTA?

There are defined zones in Malta, referred to as Special Designated Areas (SDA), where there are absolutely no restrictions to acquisition. If the immovable property is bought outside the SDA, then the TCN needs to apply for an AIP permit.

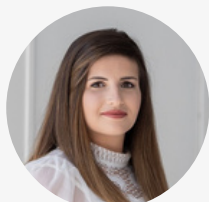
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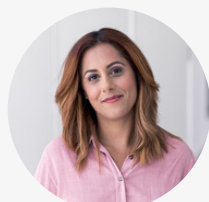
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